

SOUTH CAROLINA UPDATES

PRESENTED TO

**SOUTH CAROLINA ASSOCIATION OF AUDITORS,
TREASURERS AND TAX COLLECTORS**



February 7, 2020

**By
Frank A. Rainwater
Executive Director**

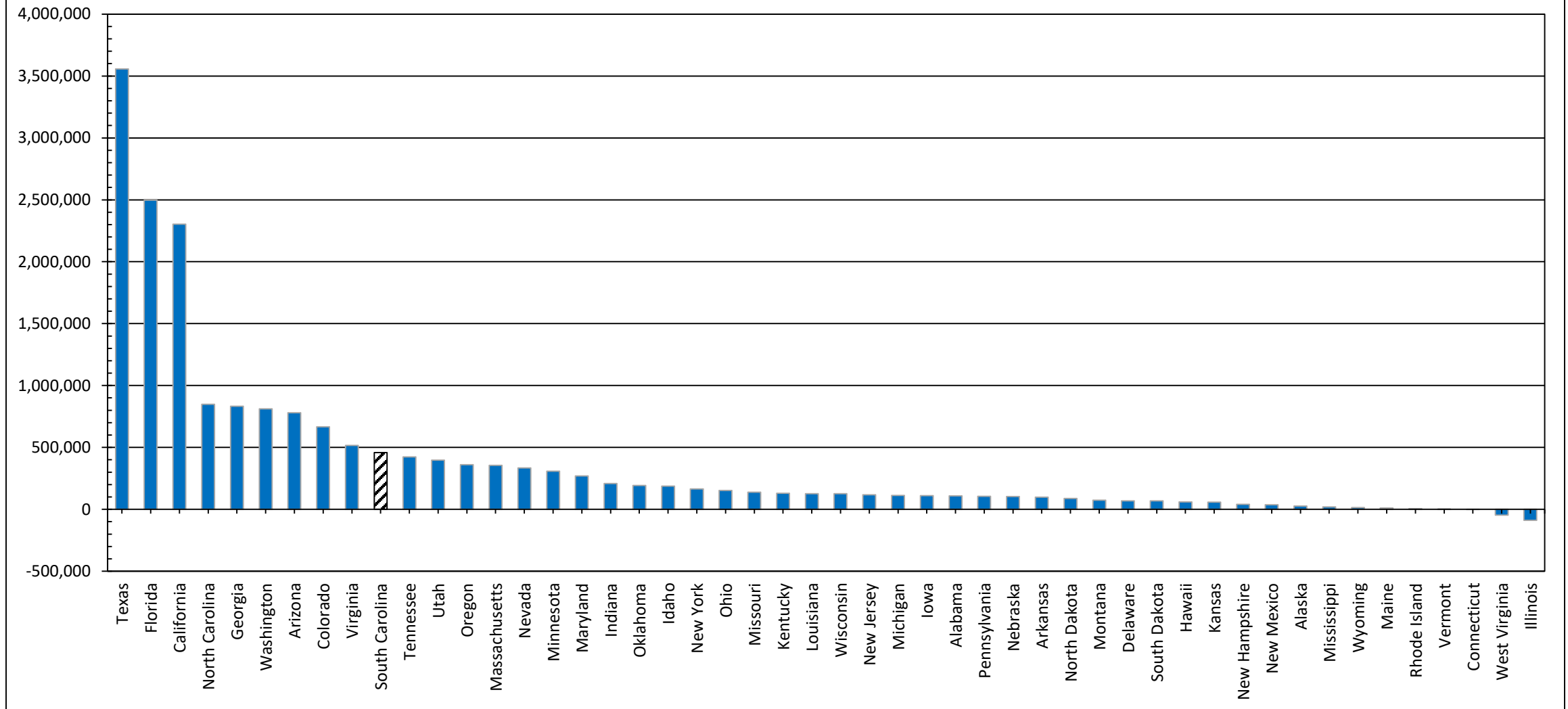


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www.rfa.sc.gov

SOUTH CAROLINA POPULATION GROWTH



UNITED STATES CENSUS POPULATION Change From 2010 to 2018

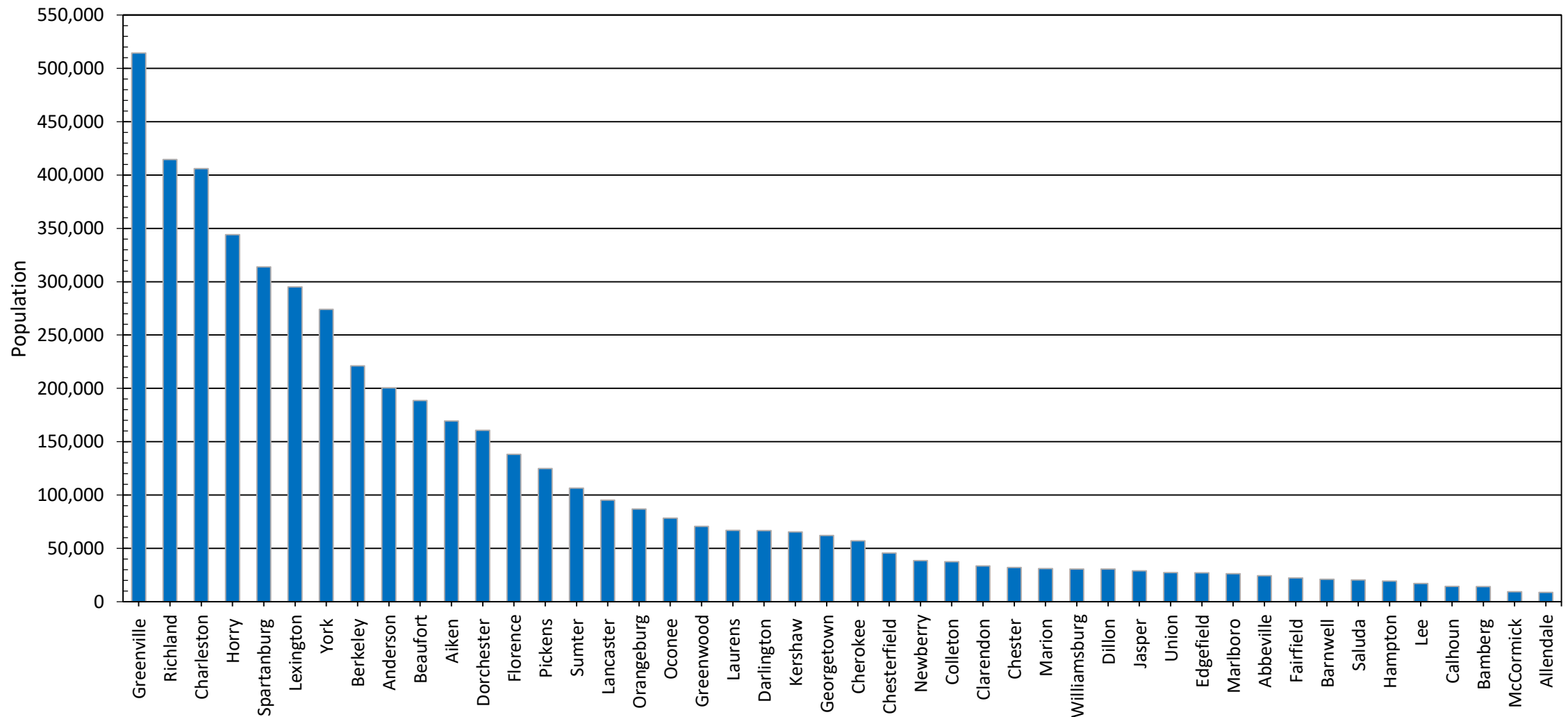


Source: S.C. Revenue and Fiscal Affairs Office - 211A - lpw/4/29/19



SOUTH CAROLINA POPULATION BY COUNTY

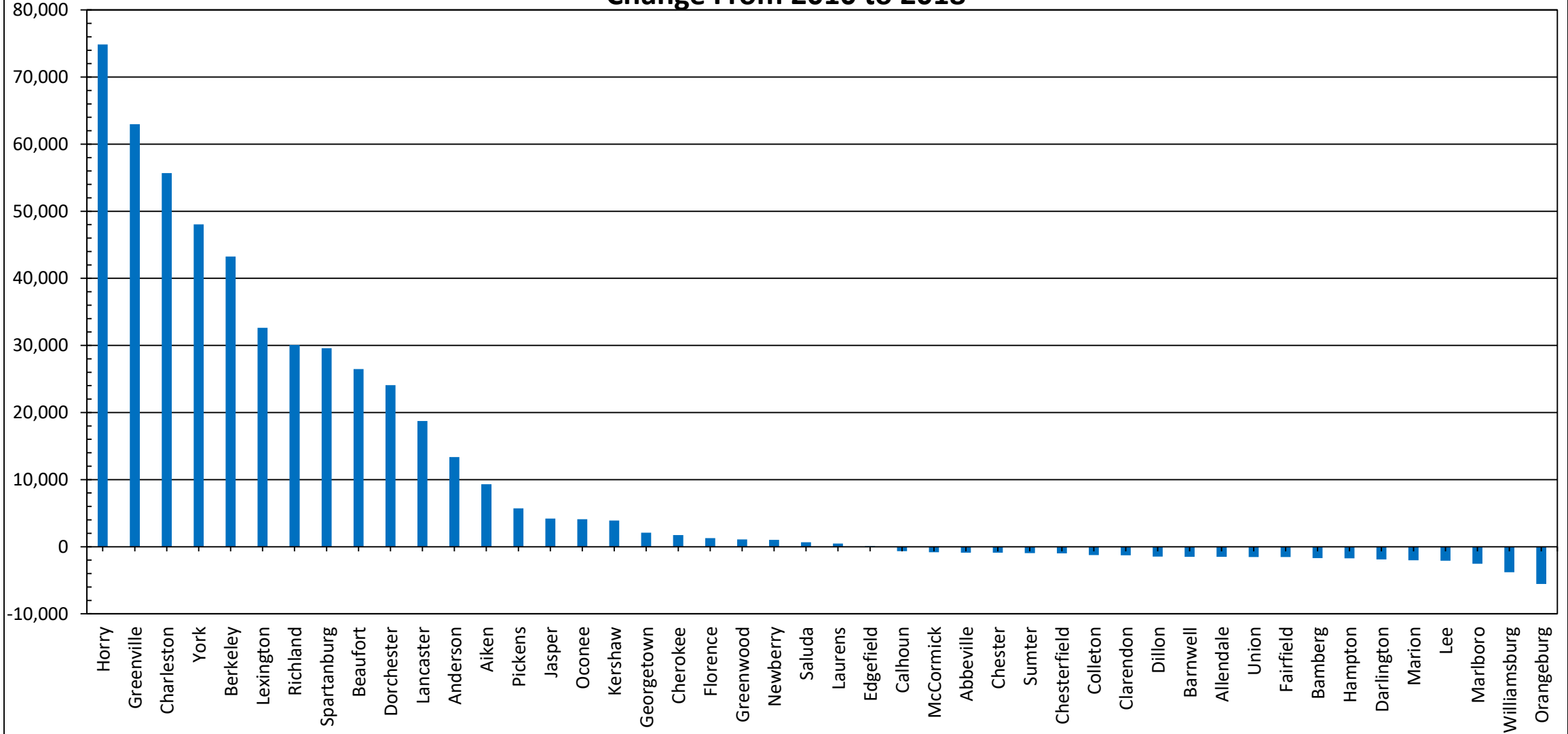
Estimates as of July 1, 2018



Source: U.S. Census Bureau, Population Estimates; RFA - 224 - lpw-4/29/19

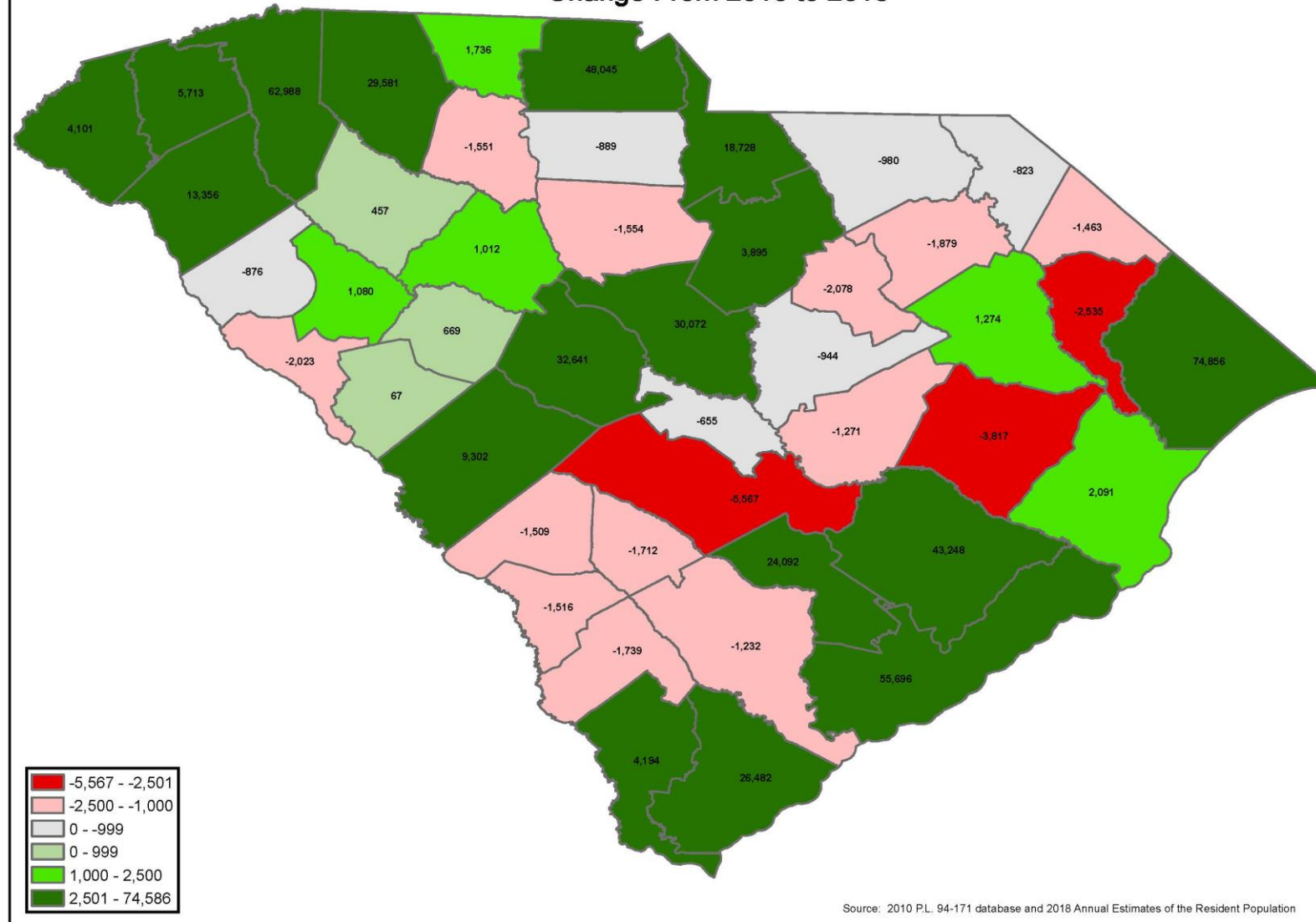
SOUTH CAROLINA CENSUS POPULATION

Change From 2010 to 2018

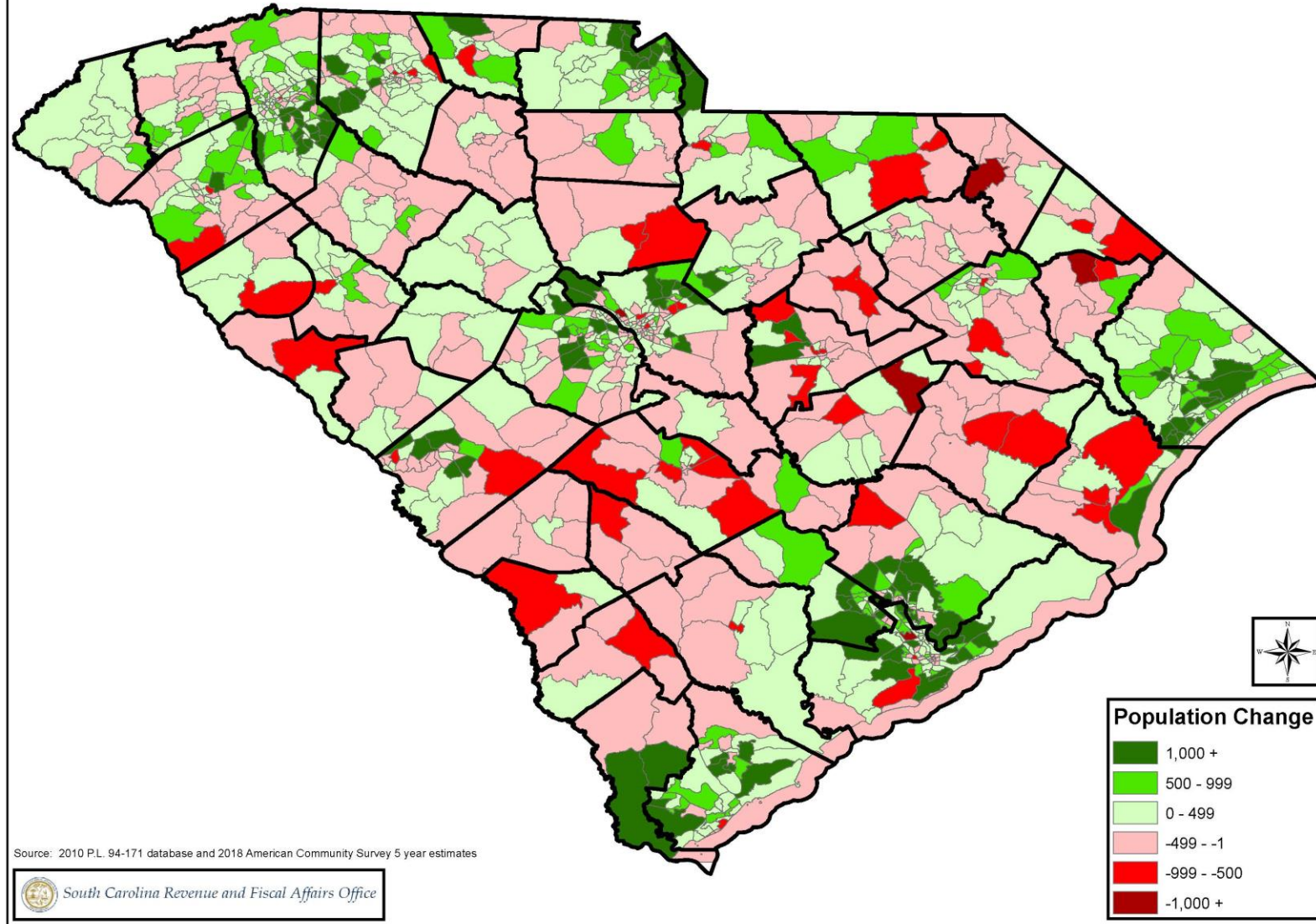


Source: S.C. Revenue and Fiscal Affairs Office - 211E - lpw/4/29/19

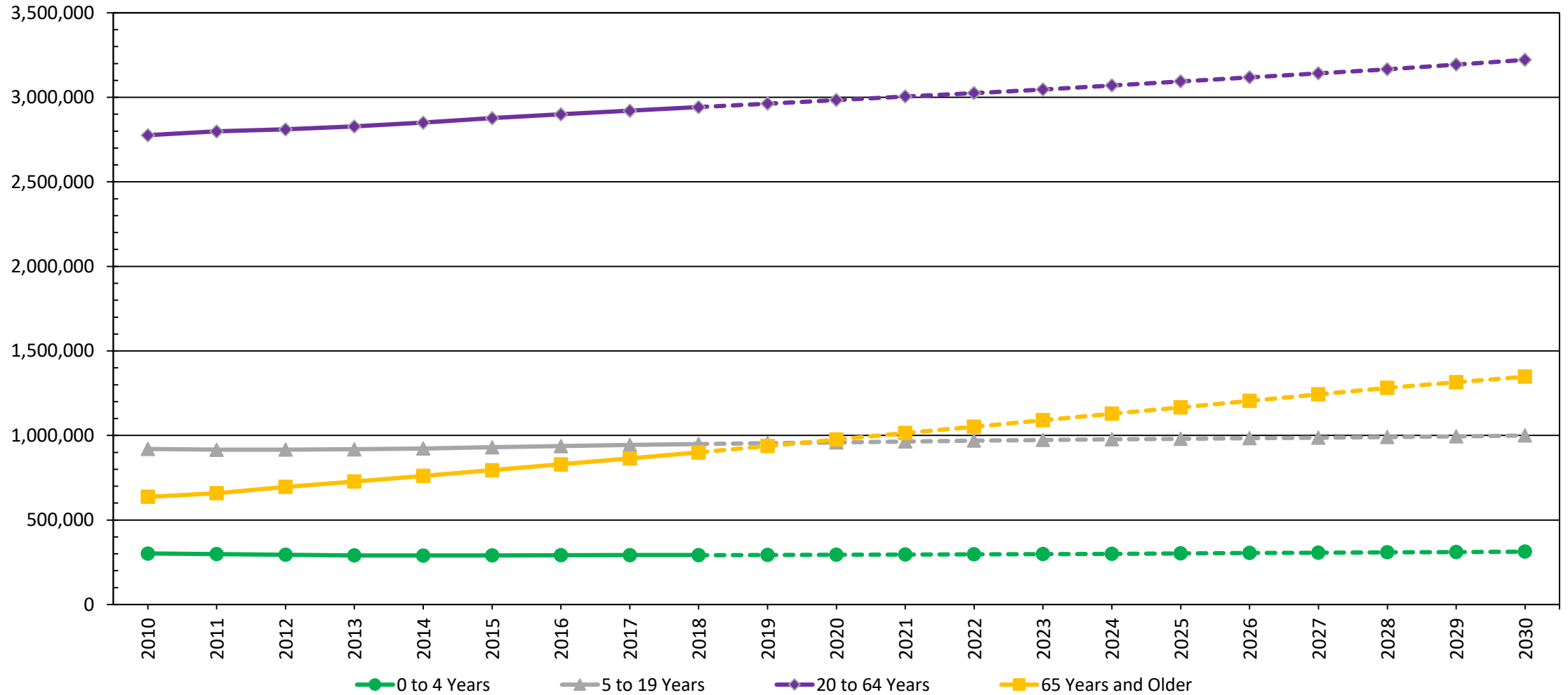
SOUTH CAROLINA CENSUS POPULATION Change From 2010 to 2018



POPULATION CHANGE BY CENSUS TRACT 2010-2018



SOUTH CAROLINA POPULATION BY AGE GROUP 2010 to 2030 Estimates and Projections



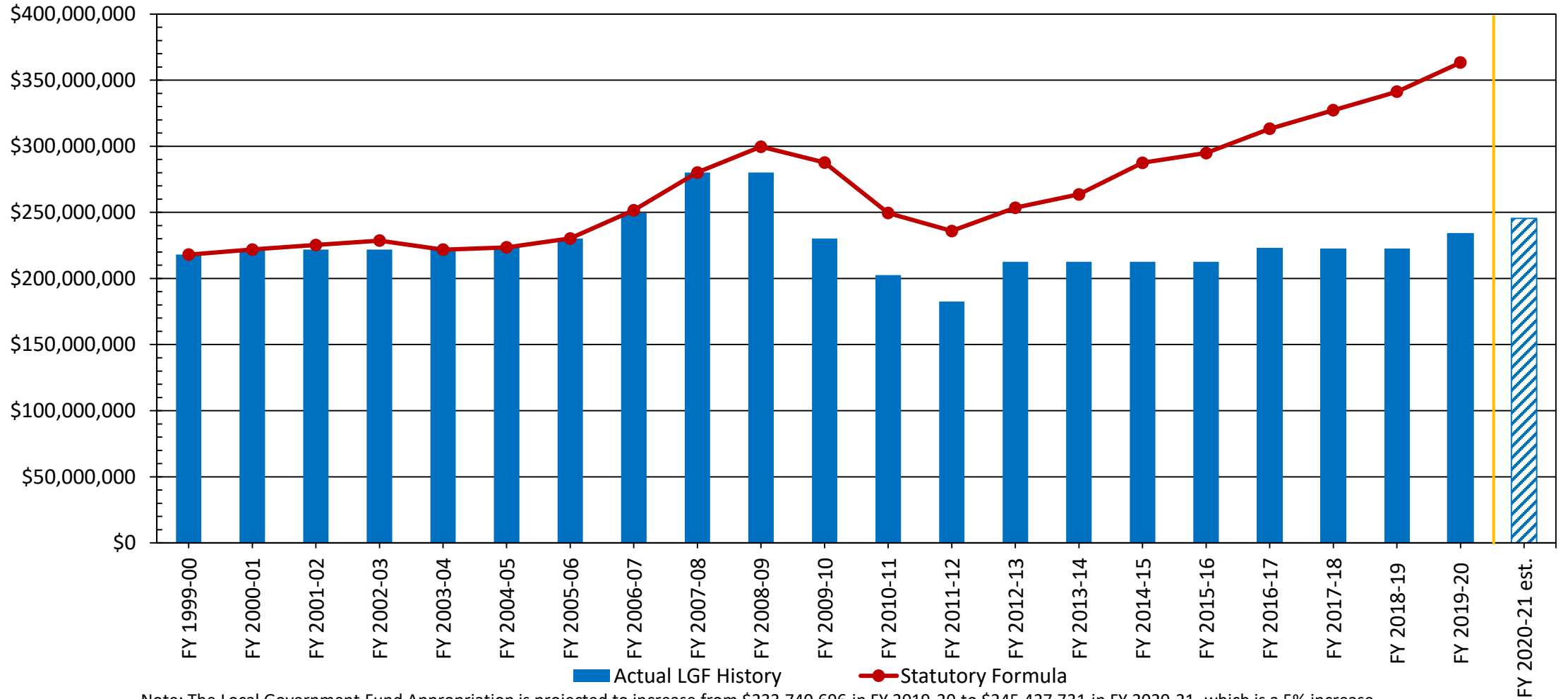
Note: U.S. Census Bureau, population estimates 2010 to 2018; Revenue and Fiscal Affairs Office, population projections 2019 to 2030

LOCAL GOVERNMENT FUND



LOCAL GOVERNMENT FUND

Comparison of Actual Funding to Statutory Formula

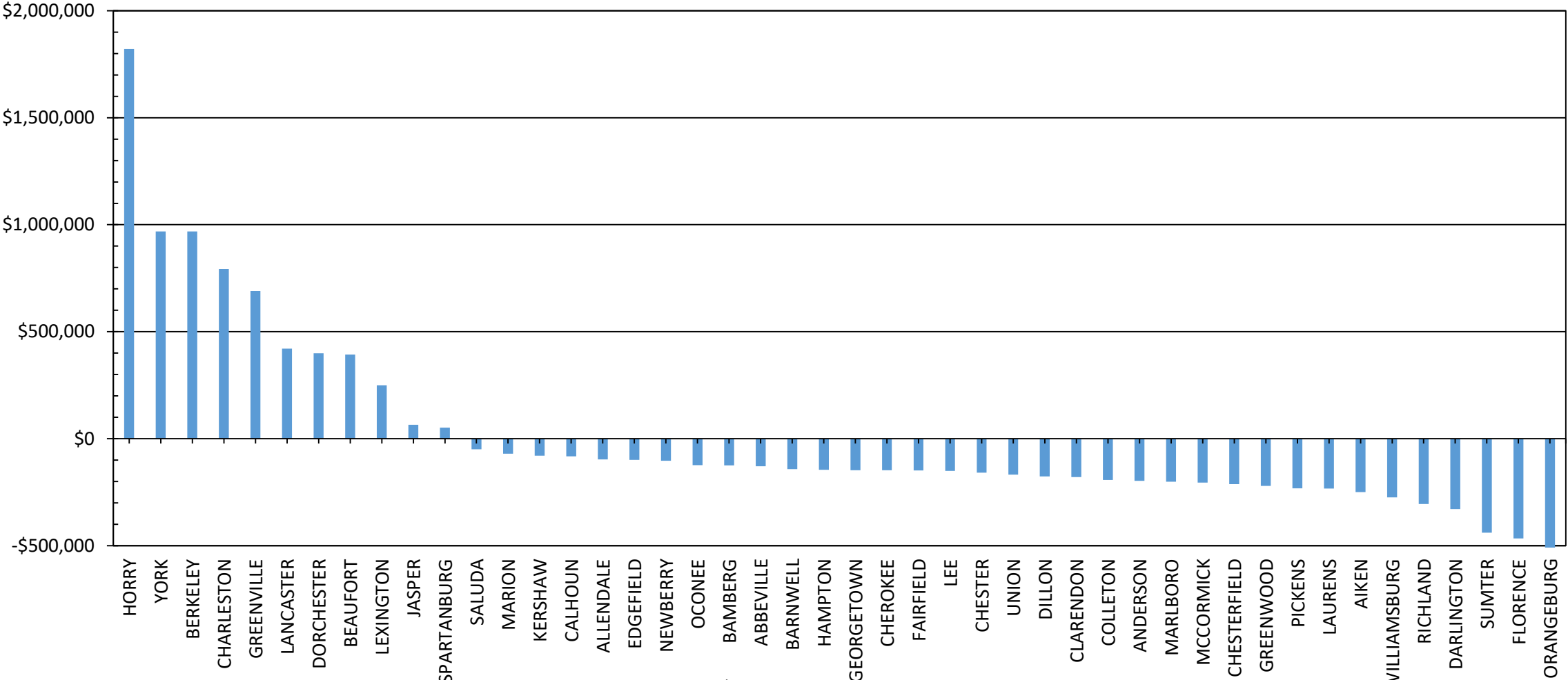


Note: The Local Government Fund Appropriation is projected to increase from \$233,740,696 in FY 2019-20 to \$245,427,731 in FY 2020-21, which is a 5% increase.

Source: S.C Revenue and Fiscal Affairs Office - 193/lpw/11/14/19

COUNTY LOCAL GOVERNMENT FUND CENSUS POPULATION IMPACT

Funding With 2010 Census vs 2018 Estimated Population

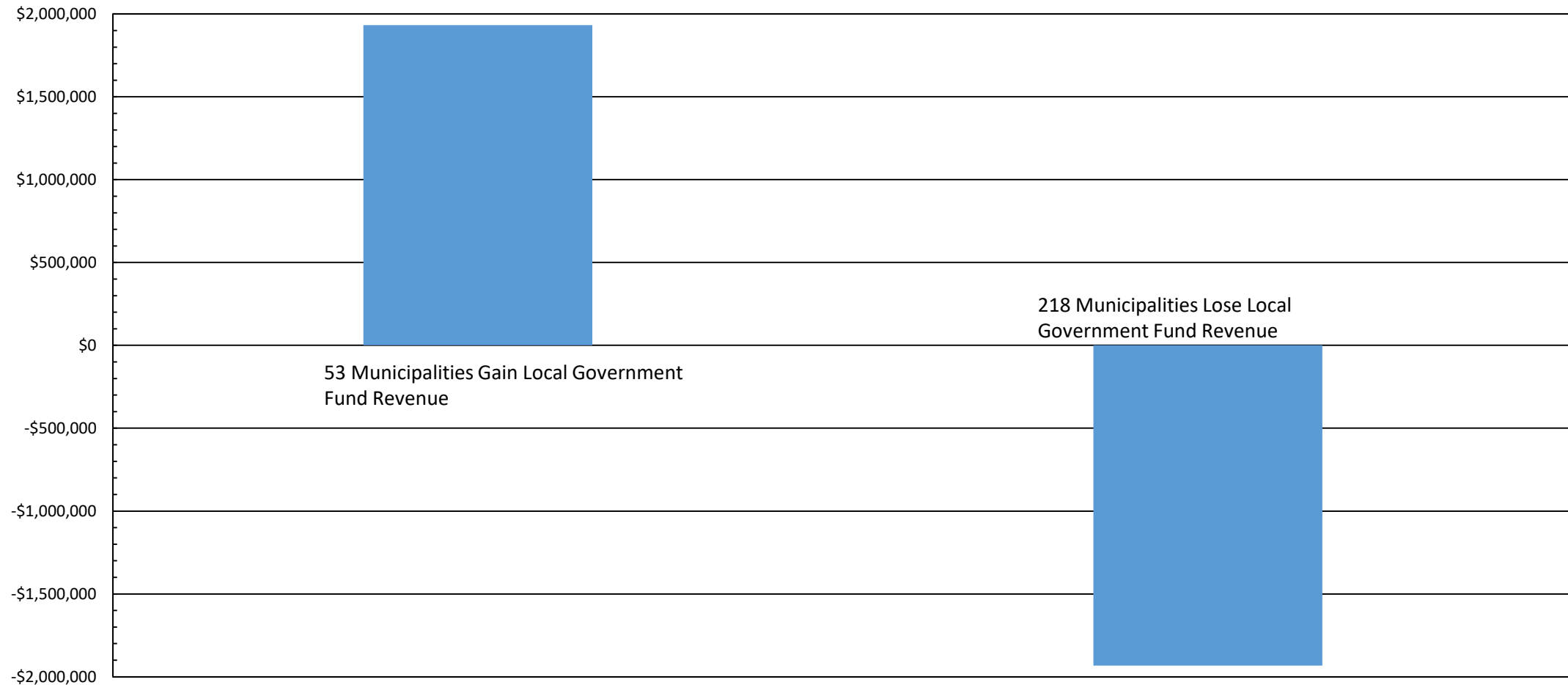


Note: Local Government Fund estimates are based upon recurring funds of \$233,740,696 as ratified by the General Assembly on May 22, 2019. The population figures are based on

Source: S.C. Revenue and Fiscal Affairs Office - 211C - emm/06/03/19

MUNICIPAL LOCAL GOVERNMENT FUND CENSUS POPULATION IMPACT

Change in Funding with 2010 Census vs 2018 Estimated Population

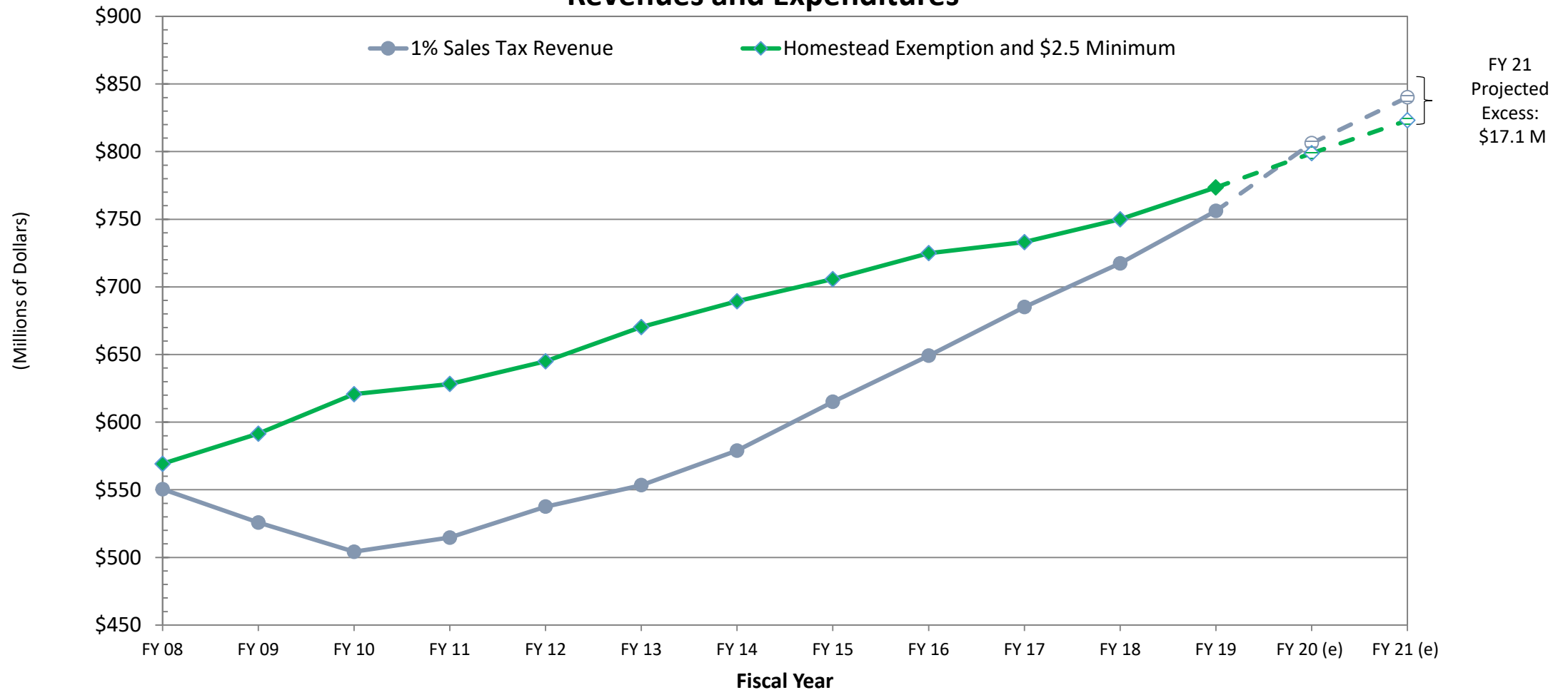


Note: Local Government Fund estimates are based upon recurring funds of \$233,740,696 as ratified by the General Assembly on May 22, 2019. The population figures are based on 2010 U.S. Census Bureau data and 2018 U.S. Census population estimates.

Source: S.C. Revenue and Fiscal Affairs Office - 211G - emm/06/04/19

HOMESTEAD EXEMPTION FUND (TIER III)

Revenues and Expenditures



Note: Tier III Expenditure includes \$2.5M minimum disbursements and lease purchase lawsuit revisions. Revenue projection based upon 11/08/2019 BEA forecast.

Source: SC Revenue and Fiscal Affairs Office MKM-40- 11/08/19

Section 11-11-156(A)(3)(b) If the total increase provided pursuant to subitem (a) of this item is less than four percent, then to the extent revenues are available in the Homestead Exemption Fund, the CPI/population increase provided pursuant to subitem (a) of this item is further increased, not to exceed a total of four percent.

Based on the BEA Forecast as of Nov 10, 2019, the Homestead Exemption Fund penny tax will generate enough revenue to increase the CPI/population factor to four percent.

FY 2019-20 Tier III				
	Base Funding (Population and Inflation)	Increased Funding (Minimum 4.00%)	Forecasted Revenue	Excess Revenue
Percentage	3.47%	4.00%		
Total Tier III	\$798,756,236	\$802,574,159	\$806,281,000	\$3,706,841

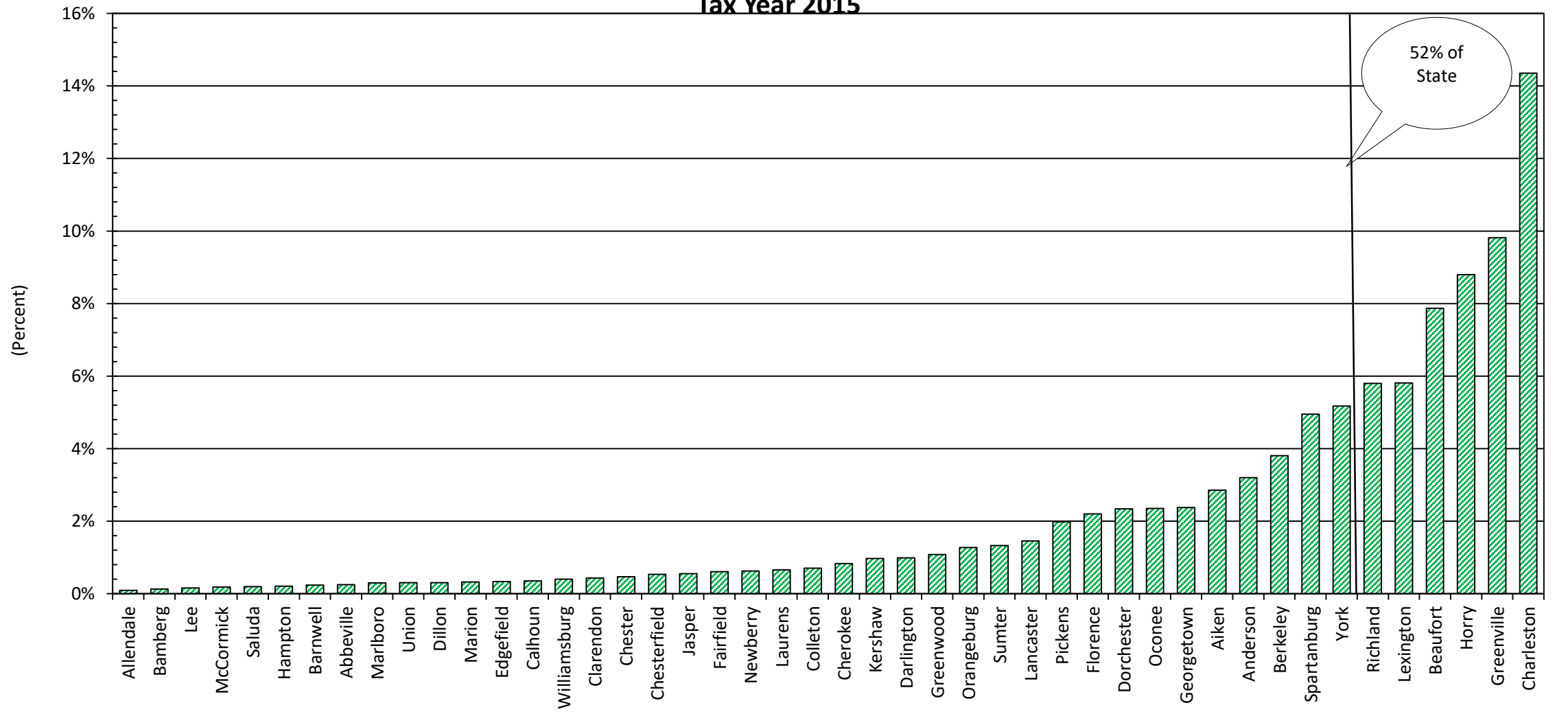
Any excess revenue in the Homestead Exemption Fund after fully funding the Tier III reimbursements will be remitted to the counties in the following year to be used as a uniform credit for all owner-occupied properties.

County Tier III Revenue Credits		
	Total Statewide Credit	County Range (based on population)
FY 2020-21	\$3,706,841	\$6,491 - \$374,913
FY 2021-22	\$8,176,779	\$14,319 - \$827,007
FY 2022-23	\$11,536,433	\$20,202 - \$1,166,805
<i>Based on Census Bureau Population Estimates 2018</i>		

Estimated Owner-Occupied Property Uniform Credit (varies by county)		
	Range	Statewide Average
FY 2020-21	\$1.21 - \$3.81	\$2.82
FY 2021-22	\$2.67 - \$8.40	\$6.22
FY 2022-23	\$3.77 - \$11.85	\$8.77

- Based on the BEA Forecast as of November 10, 2019, we anticipate going forward, the Homestead Exemption Fund penny tax revenue will fully fund the Tier III reimbursements.
- Therefore, school districts can anticipate the total Tier III reimbursements will grow by a minimum of four percent annually.

ASSESSED VALUE BY COUNTY As a Percent of State Total Tax Year 2015



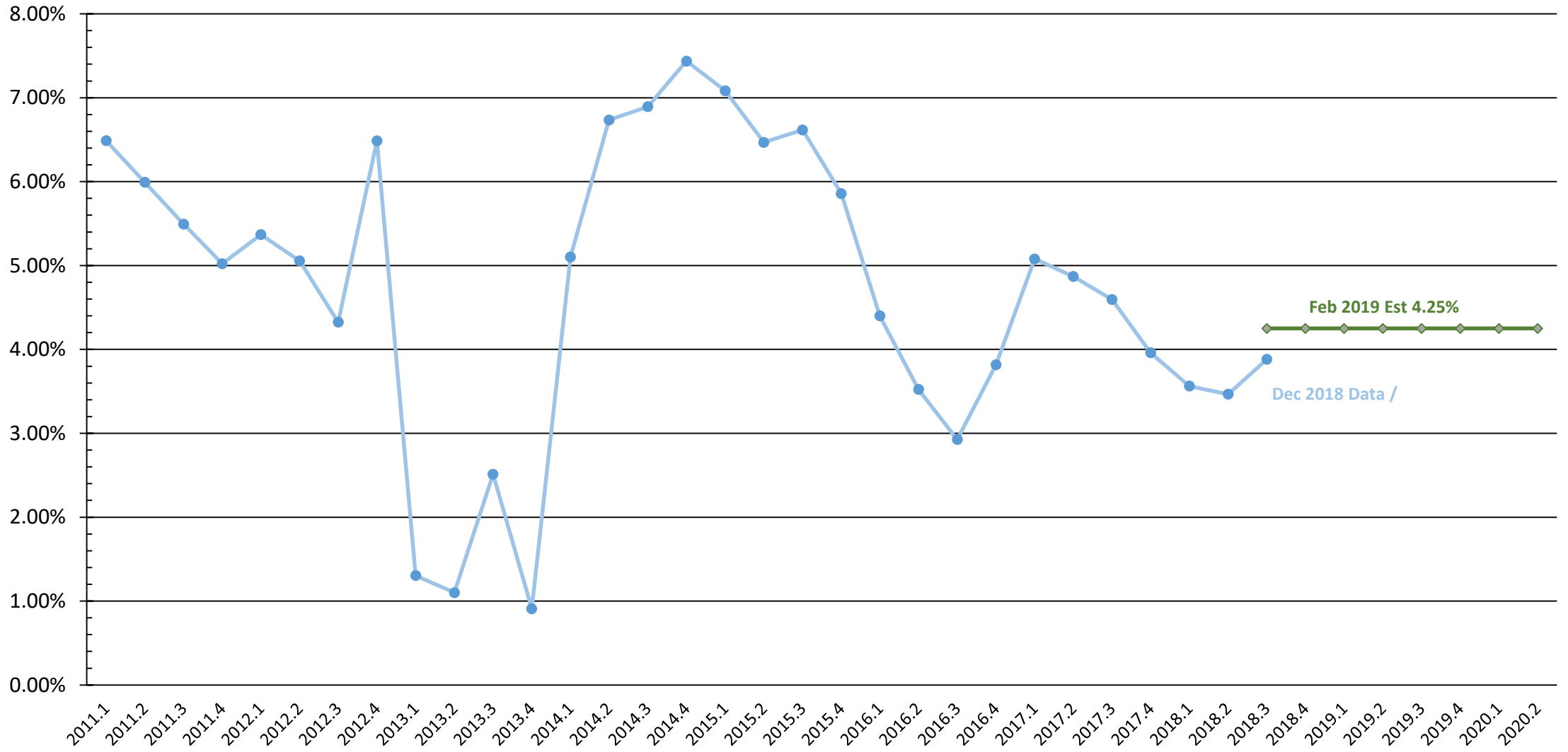
Source: DOR Index of Taxpaying Ability Report
RFA/mkm/12/19/2018

ECONOMY



SC PERSONAL INCOME ANNUAL PERCENT GROWTH - ACTUALS AND ESTIMATES

Dec 2018 Series and Feb 2019 Estimates

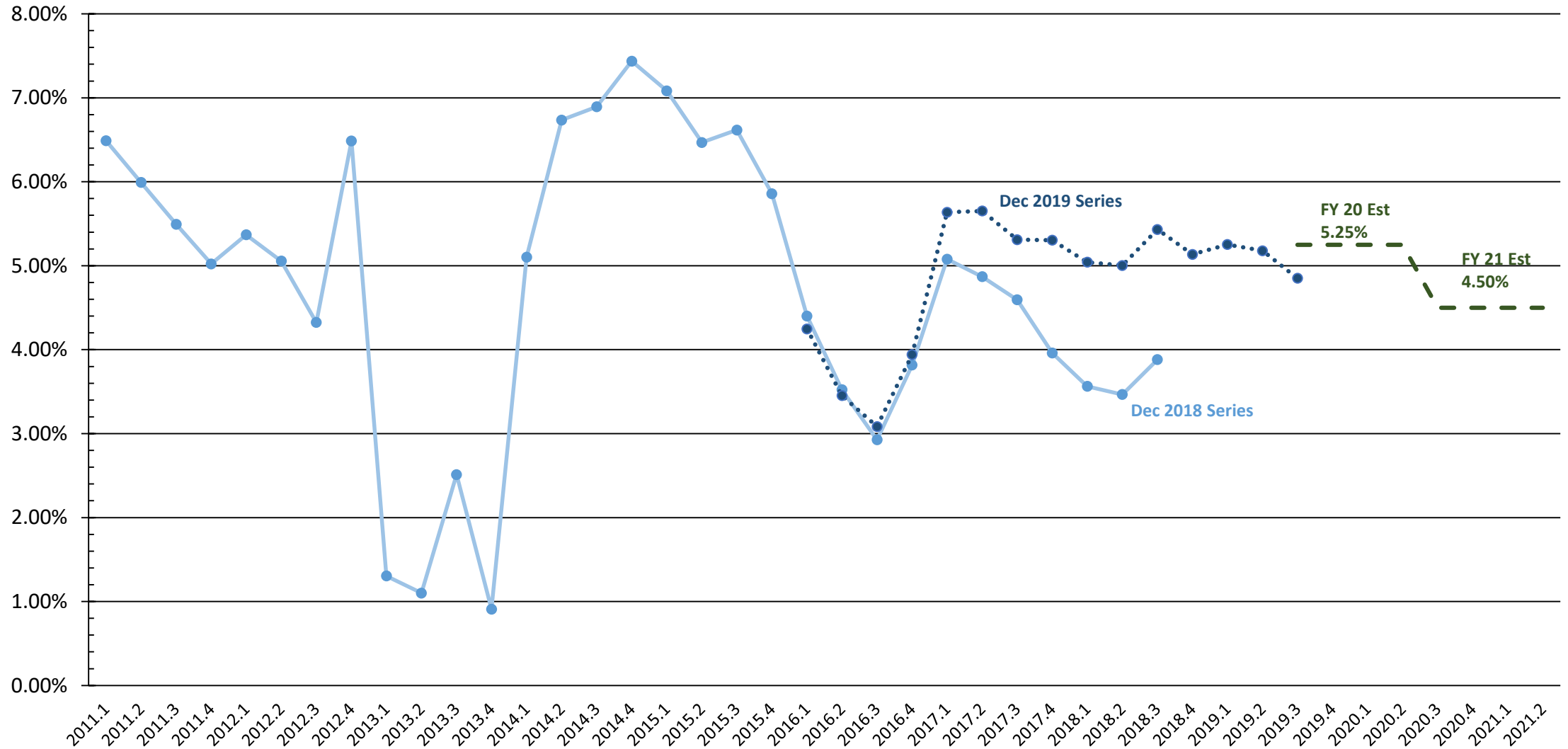


Source: Revenue and Fiscal Affairs/FAR/260/01-02-20



SC PERSONAL INCOME ANNUAL PERCENT GROWTH - ACTUAL AND ESTIMATES

Dec 2018 Series v. Dec 2019 Series



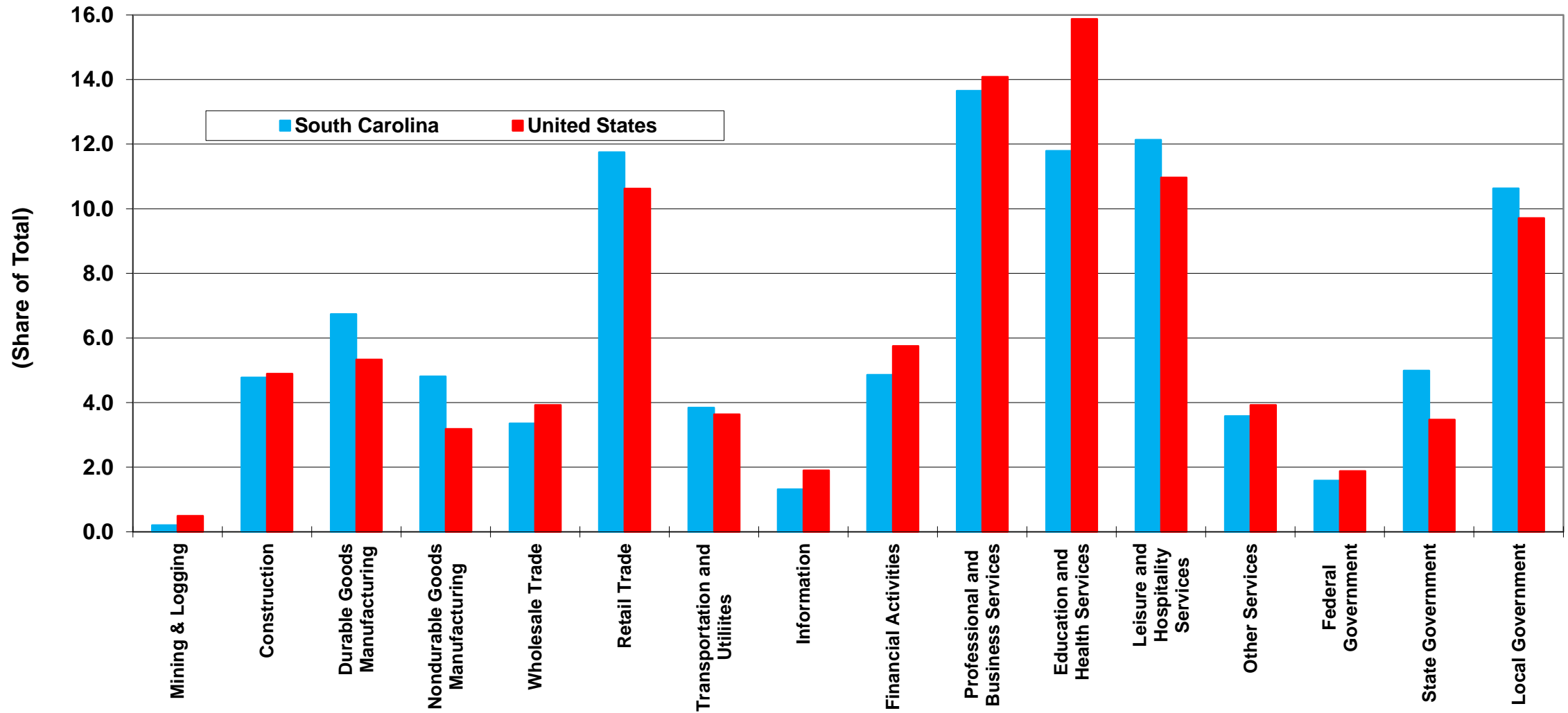
Source: Revenue and Fiscal Affairs/FAR/261/01-02-20



REVENUE

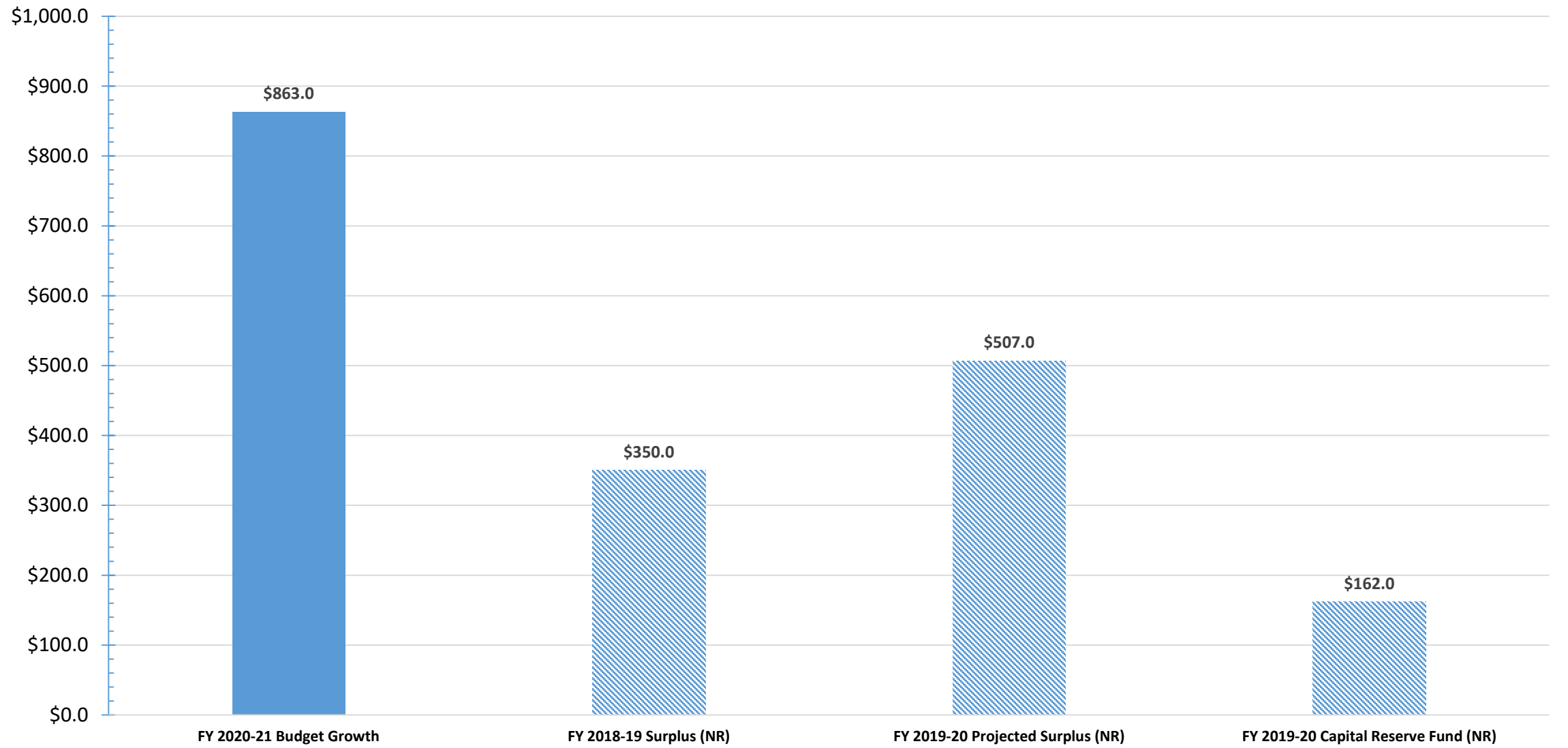


Shares of Nonfarm Employment By Sector in 2018 South Carolina and the United States



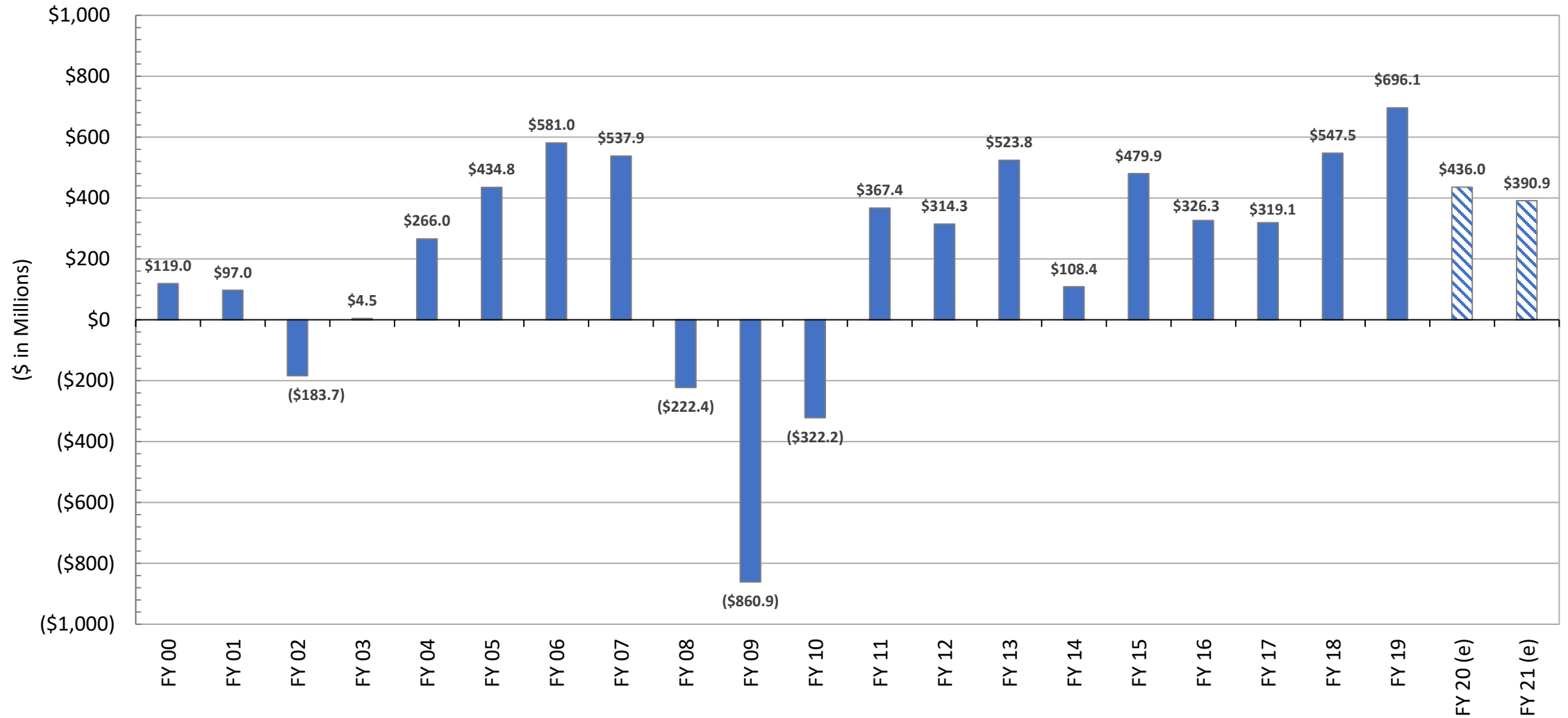
Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., S.C. Board of Economic Advisors

FY 2020-21 BUDGET PROCESS - AVAILABLE FUNDS



Source: Revenue and Fiscal Affairs Office/FAR/1-8-20

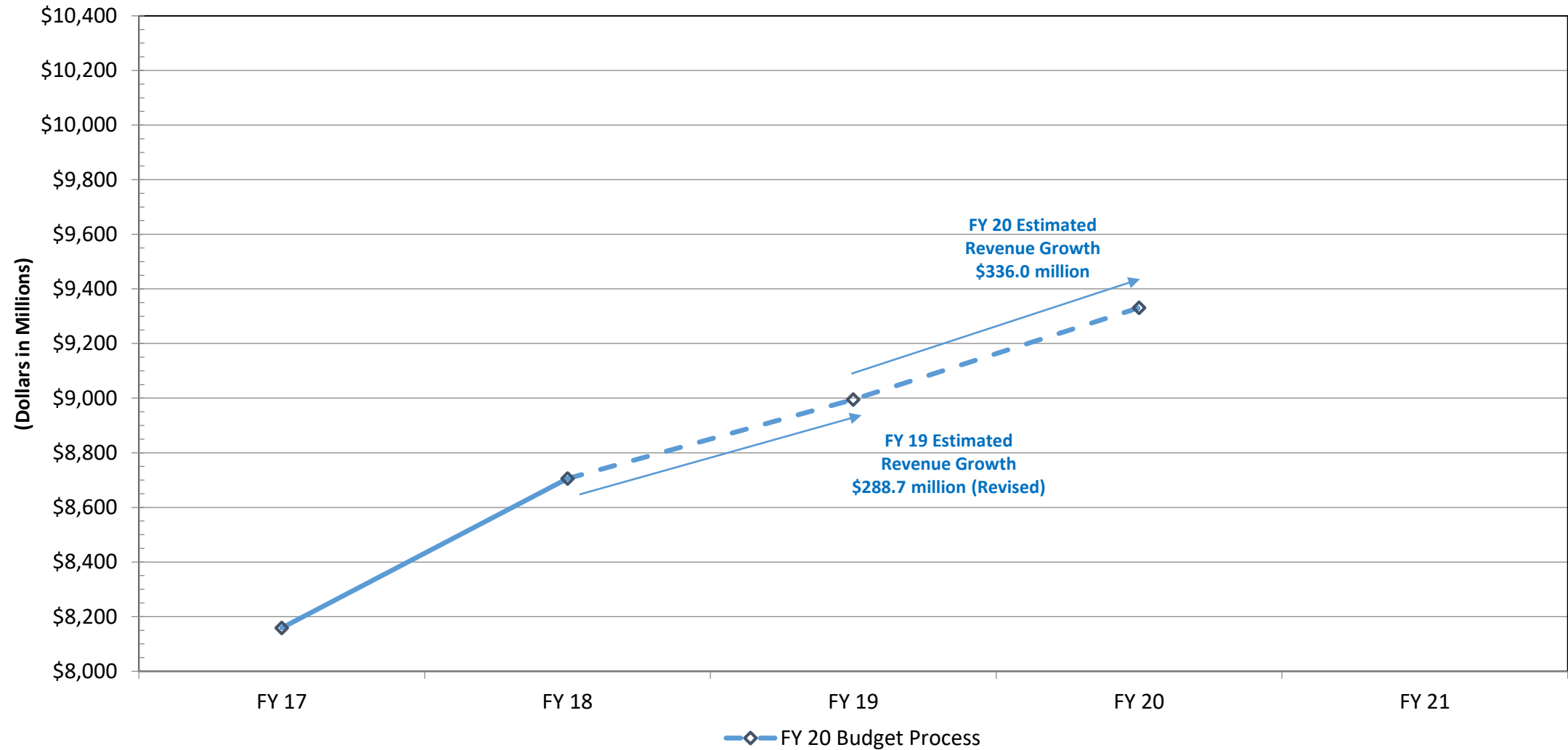
ANNUAL GROWTH IN GENERAL FUND REVENUE



Source: Revenue and Fiscal Affairs - 169A/LHJ/11/12/19

FY 2019-20 APPROPRIATIONS ACT EXPECTATIONS

Estimated Revenue Growth (April 2019)

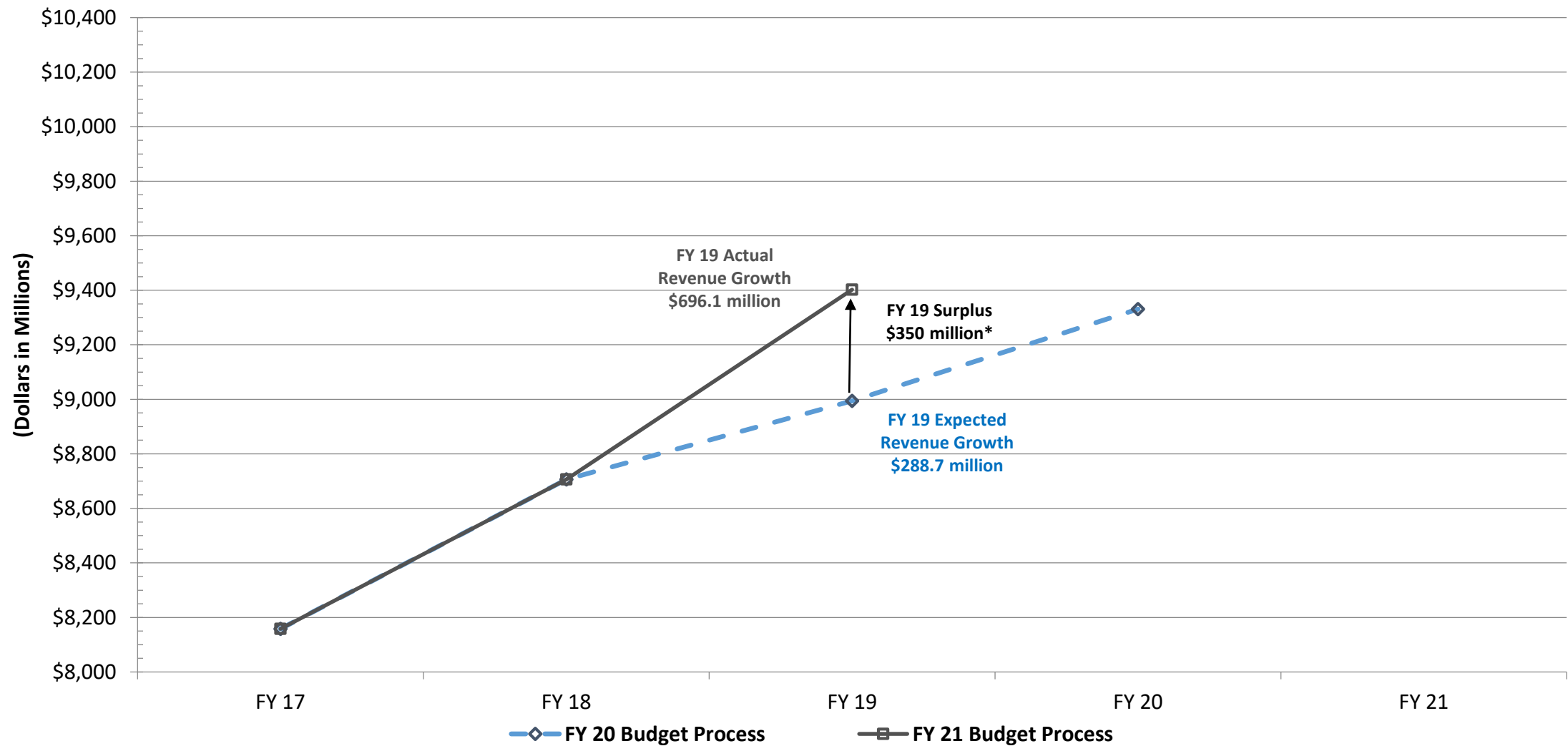


Source: Revenue and Fiscal Affairs/FAR/11-6-19



FY 2018-19 ACTUAL REVENUE GROWTH

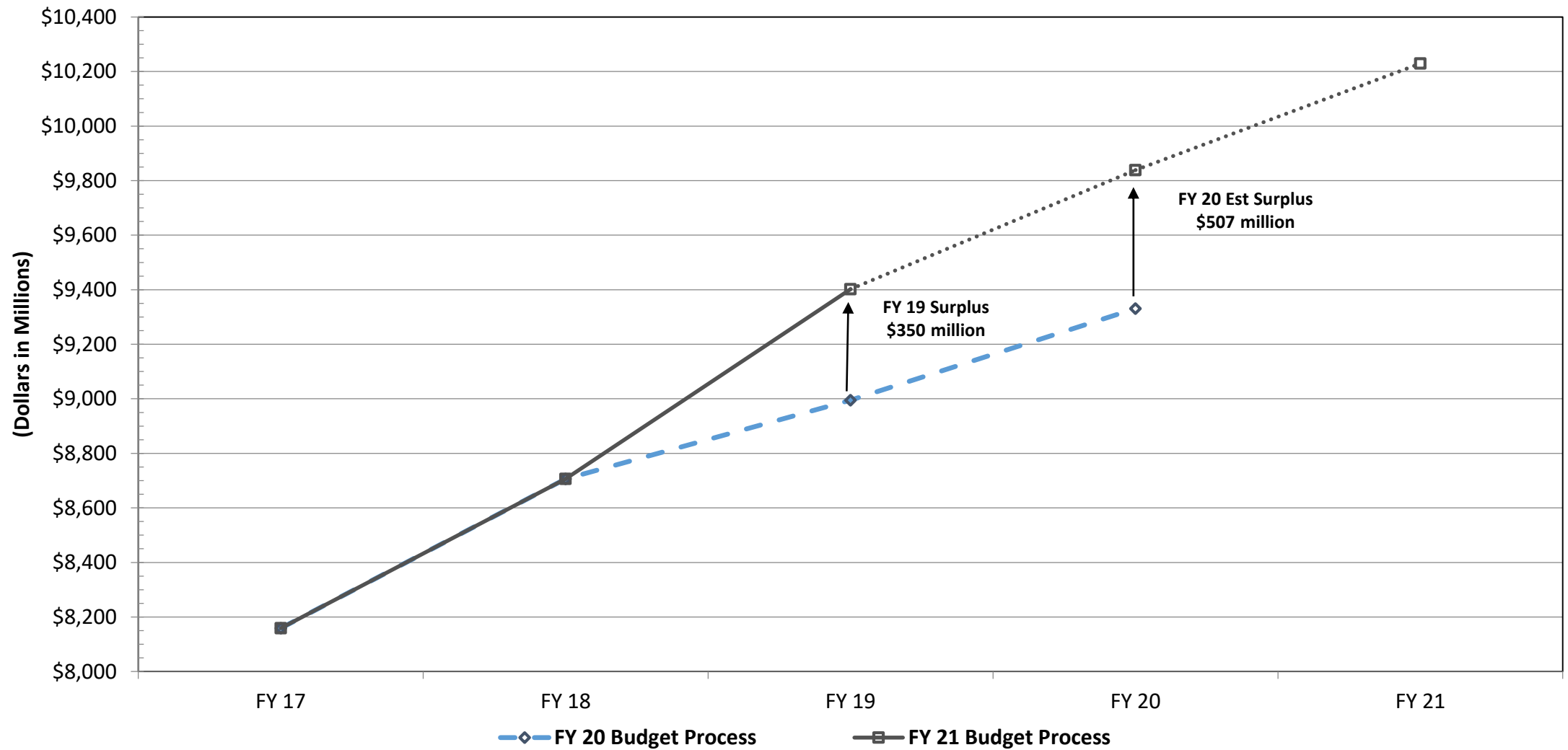
Impact to FY 2019-20 Appropriations Act Expectations (August 2019)



Source: Revenue and Fiscal Affairs/FAR/11-6-19

FY 2019-20 REVISED REVENUE ESTIMATE

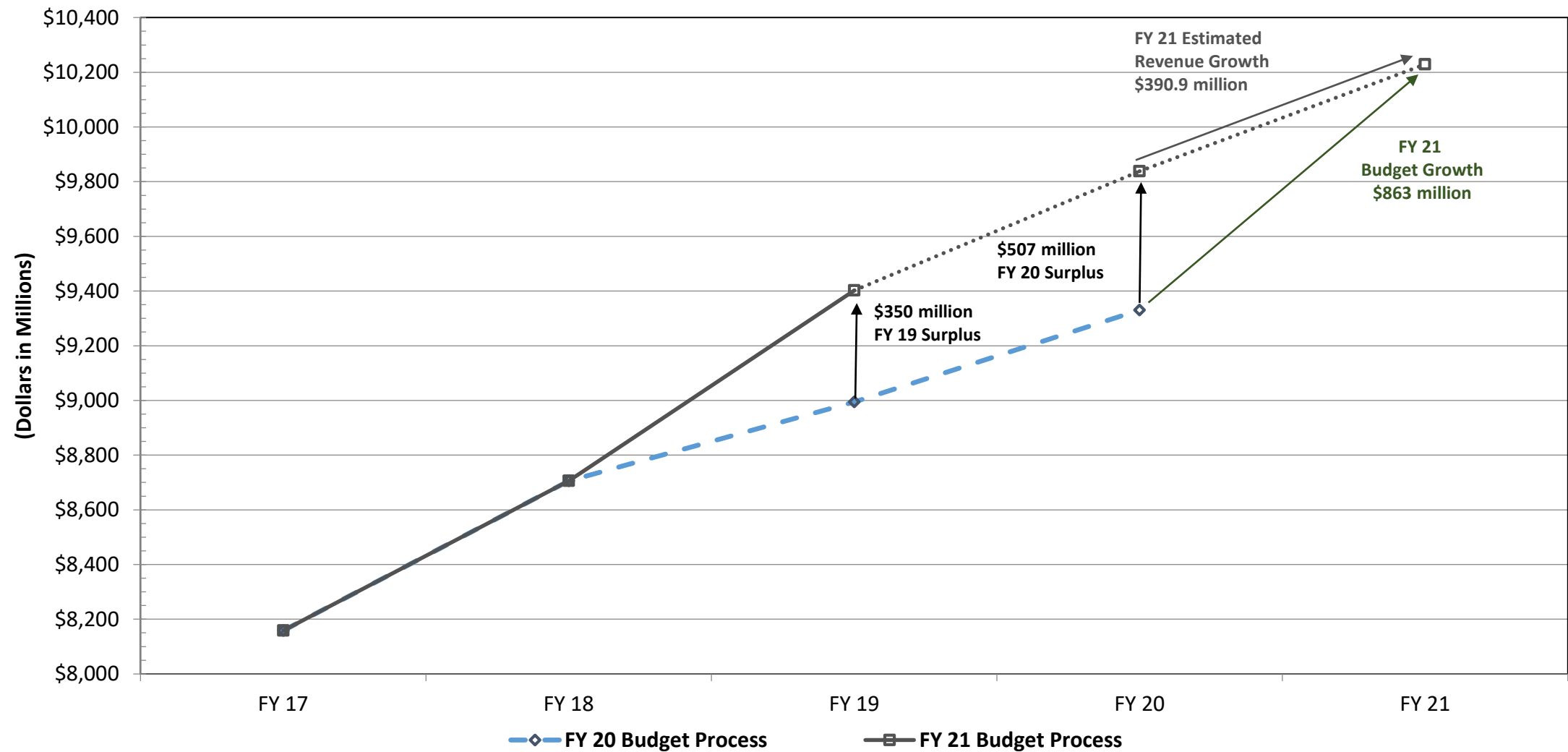
Effect of Actual FY 2018-19 Growth On FY 2019-20 Revenue Surplus (November 2019)



Source: Revenue and Fiscal Affairs Office/FAR/11/6/20

FY 2020-21 BUDGET "CATCH-UP"

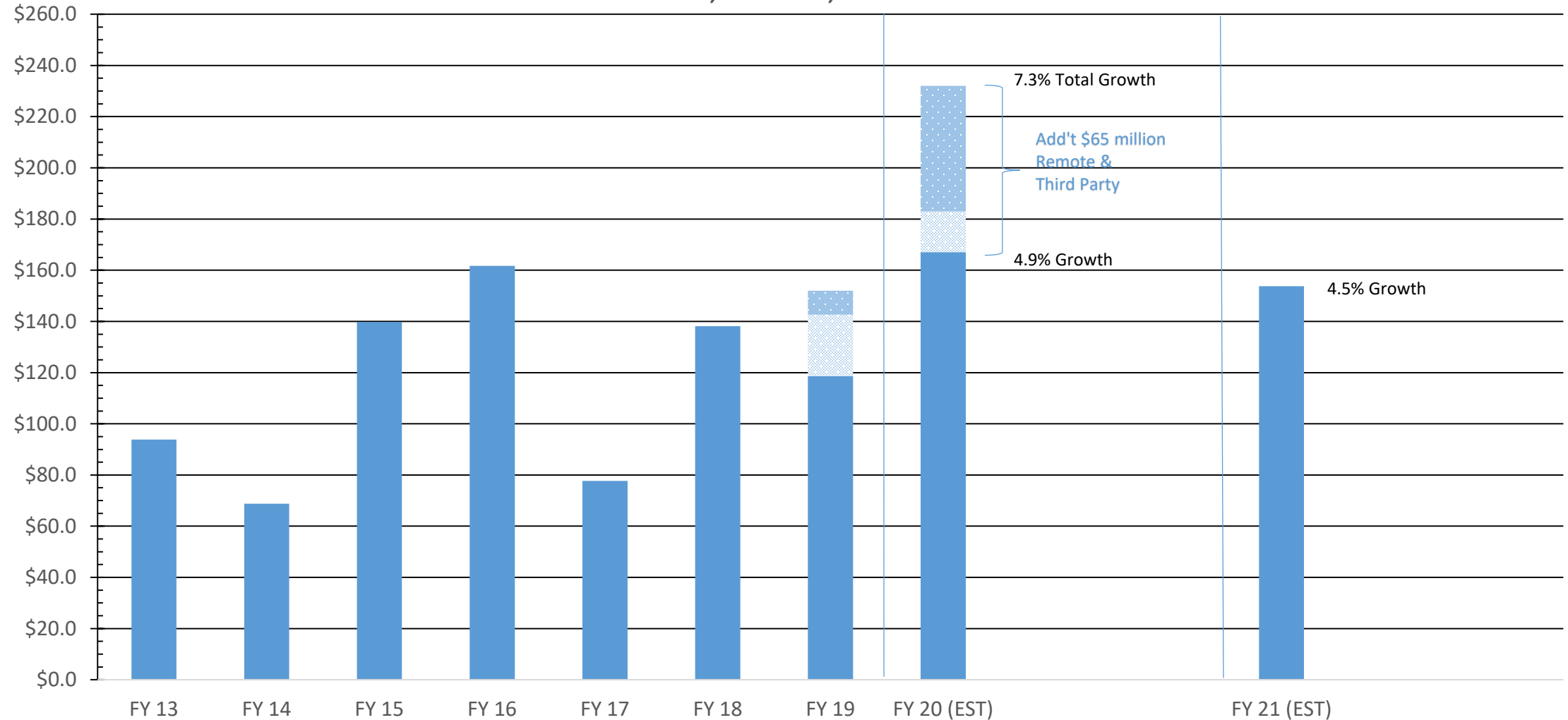
Compounding Effect of FY 2018-19 Revenue Surplus on FY 2020-21 Budget (November 2019)



Source: Revenue and Fiscal Affairs/FAR/11-6-19

ANNUAL GROWTH - SALES TAX

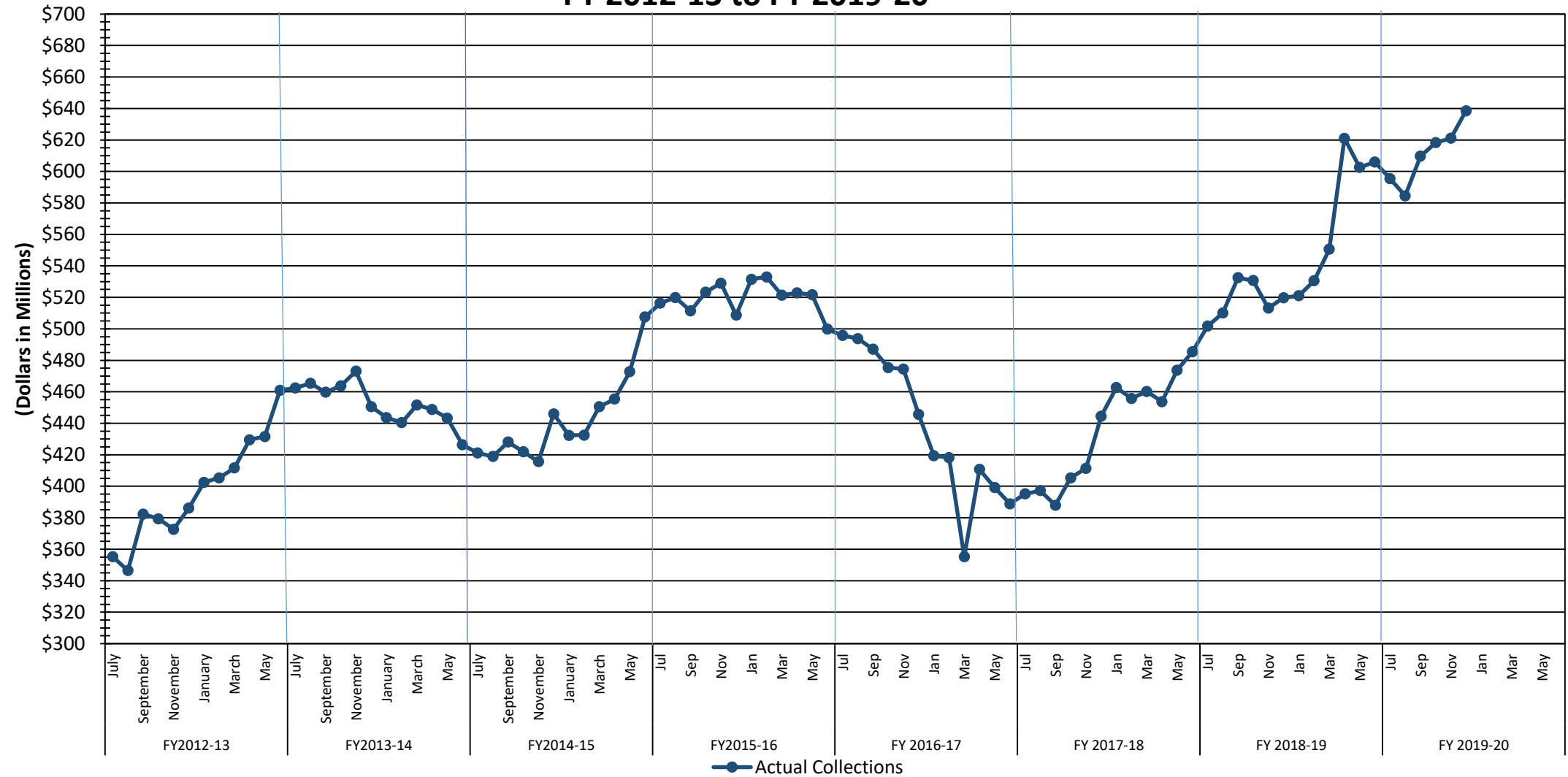
Actuals, Estimates, and Other



Source: Revenue and Fiscal Affairs/FAR/11-6-19

ROLLING FISCAL YEAR - CORPORATE INCOME & LICENSE TAXES

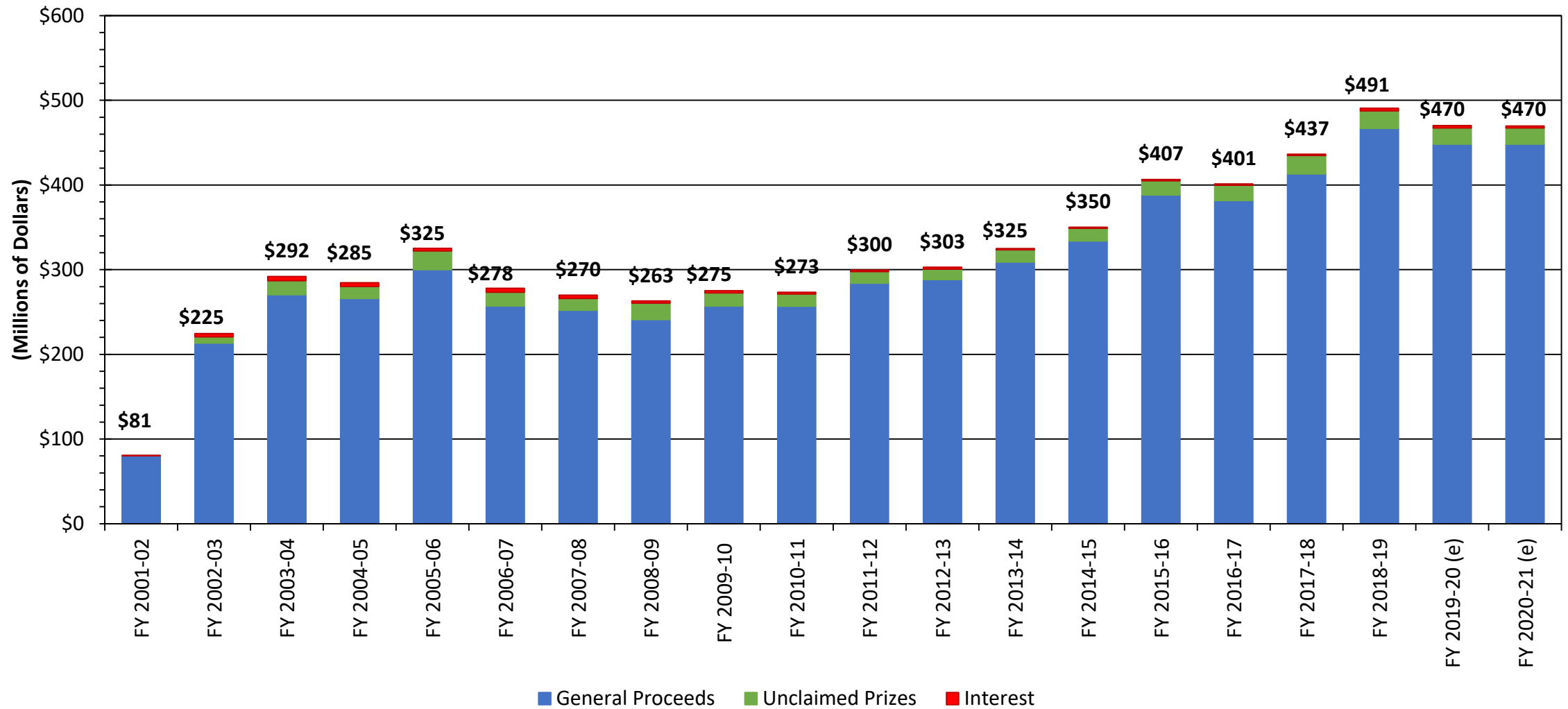
FY 2012-13 to FY 2019-20



Source: Revenue and Fiscal Affairs Office/FAR/1-21-20

TRANSFERS TO SC EDUCATION LOTTERY ACCOUNTS

Inception to FY 2020-21 BEA Estimate



Source: South Carolina Revenue and Fiscal Affairs Office RFA/265/jlw/01/22/2020



BUDGET ISSUES



FY 2020-21 General Fund Outlook

(PRELIMINARY- Dollars in Millions)

BEA Revenue Estimate (11/8/2019)	\$10,229
- Tax Relief Trust Fund	(\$629)
- FY 19-20 Appropriation Act	<u>(\$8,737)</u>
Estimated "New" General Fund Revenue	\$863
Reserve Fund Contributions	
- Incremental General Reserve Fund (5%)	(\$34)
- Incremental Capital Reserve Fund (2%)	(\$14)
Estimated "New" General Fund Revenue Available for Appropriation (less Reserve Fund Contributions)	\$815

FY 2020-21 Budget Outlook

(PRELIMINARY- Dollars in Millions)

	<u>Recurring</u>	<u>Non-Recurring</u>
FY 2019-20 Capital Reserve Fund		\$162
FY 2018-19 Contingency Reserve Fund		\$350
Projected FY 2019-20 Surplus (11/8/2019)		<u>\$507</u>
Total		\$1,019
FY 2019-20 HEX Fund Surplus/(Shortfall)		\$8
FY 2020-21 HEX Fund Surplus/(Shortfall)	\$17	
FY 2019-20 EIA Surplus/(Shortfall)		\$31
FY 2020-21 “New” EIA Revenue	\$69	
FY 2019-20 Lottery Surplus		\$7
FY 2020-21 “New” Lottery Revenue	\$7	

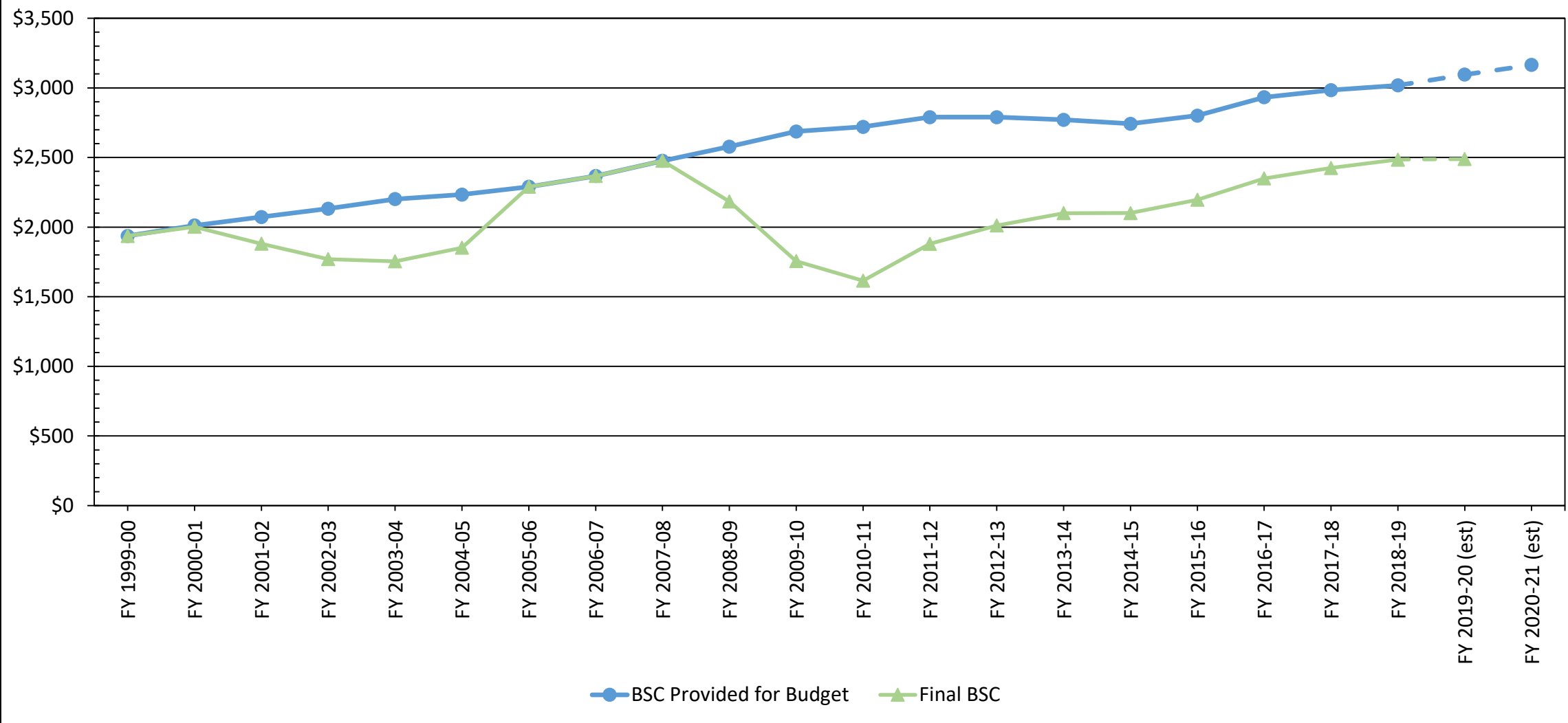
¹ FY 2019-20 surplus lottery revenues are first appropriated to cover any shortfalls in LIFE, HOPE, and Palmetto Fellows Scholarships, so this surplus may not be available for appropriation.

² Lottery revenue is appropriated by proviso on a non-recurring basis. It is listed as recurring to show the net year to year increase in the estimate, excluding surpluses.



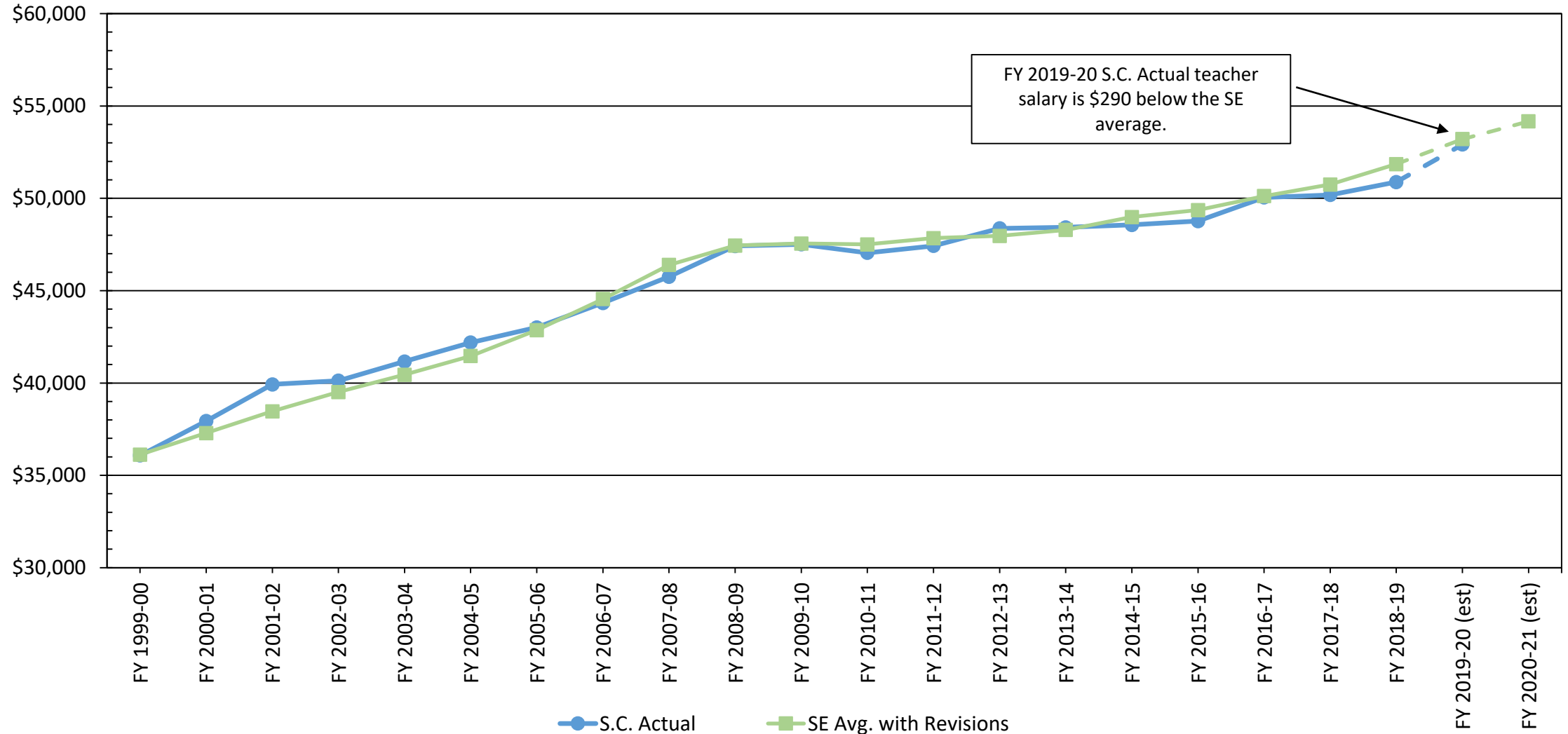
EFA BASE STUDENT COST

BSC Provided for Budget Compared to Final BSC



Source: S.C. Revenue and Fiscal Affairs Office - 267A - lpw/1/21/20

SOUTH CAROLINA AND SOUTHEASTERN TEACHER SALARY



Note: The FY 2019-20 S.C. actual teacher salary figure is a preliminary figure from the S.C. Department of Education.

Source: S.C. Revenue and Fiscal Affairs Office - 267B - lpw/1/21/20

MANUFACTURING



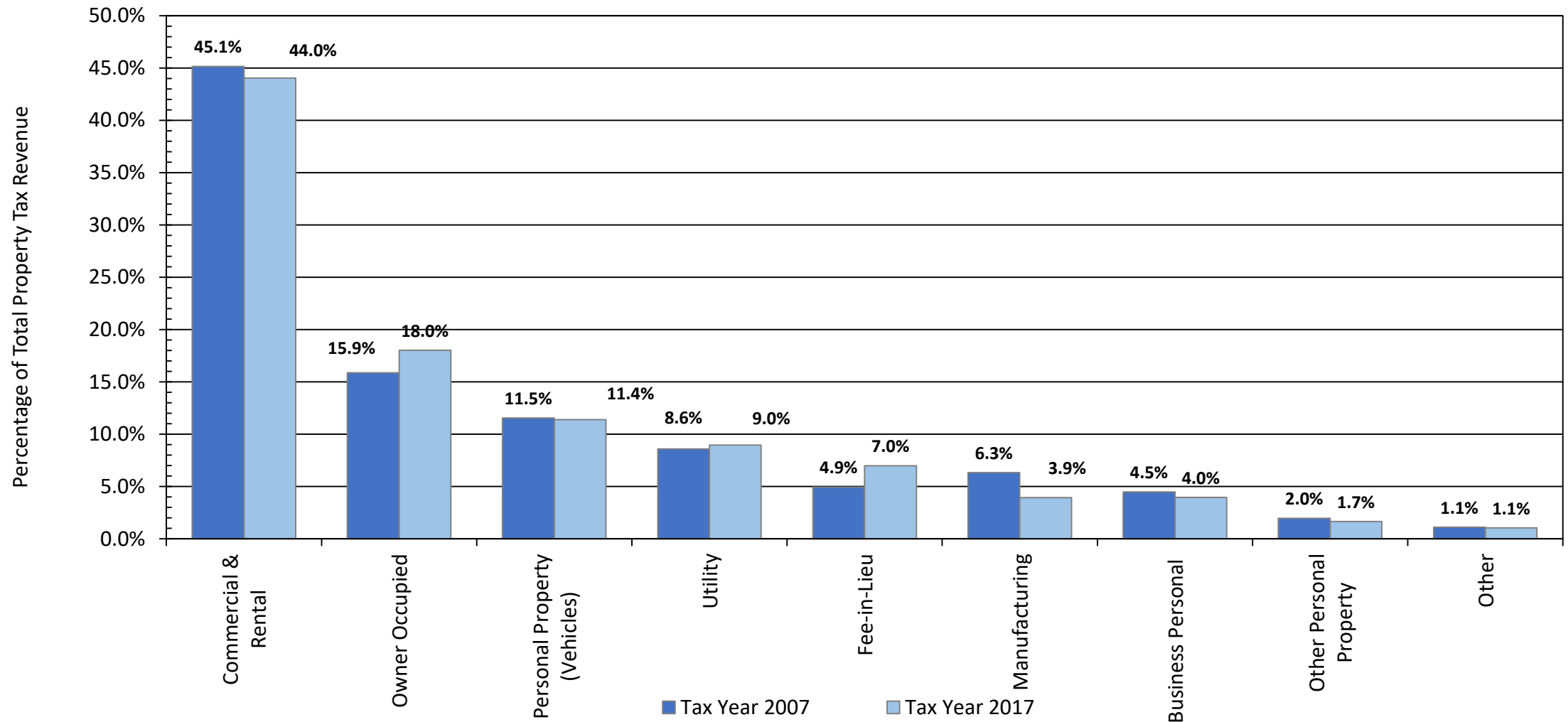
ARTICLE X FINANCE, TAXATION, AND BONDED DEBT

SECTION 1. Taxation and assessment.

The General Assembly may provide for the ad valorem taxation by the State or any of its subdivisions of all real and personal property. The assessment of all property shall be equal and uniform in the following classifications:

(1) All real and personal property owned by or leased to **manufacturers, utilities and mining operations** and used by the manufacturer, utility or mining operation, in the conduct of such business shall be taxed on an assessment equal to ten and one-half percent of the fair market value of such property.

ESTIMATED PERCENTAGE OF TOTAL PROPERTY TAX REVENUE By Assessment Classification



Other: Motor Carrier, Agricultural Real Property (corporate and private)

Source: S.C. Revenue and Fiscal Affairs, Local Government Finance Report; S.C. Department of Revenue, Index of Taxpaying Ability and Local Government Report -RFA/mkm/12/20/19



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number:	H. 3516	Veto Overridden on May 10, 2017
Author:	Simrill	
Subject:	SC Infrastructure and Economic Development Reform Act	
Requestor:	House of Representatives	
RFA Analyst(s):	Wren, Gable, Jolliff, and Martin	
Impact Date:	May 31, 2017	

Fiscal Impact Summary

This bill will increase non-recurring expenses for the Department of Motor Vehicles (DMV) by \$191,000 in FY 2017-18 for fee increases beginning January 1, 2018, and an additional \$388,000 over FY 2017-18 and FY 2018-19 to implement the motor carrier road use fee system by January 1, 2019. Total recurring Other Fund expenses for DMV include \$220,500 for four new FTEs to administer the motor carrier road use fee system. The bill will increase recurring Other Fund expenses for the Department of Transportation by \$9,000 for an additional commission member. The bill will have an Other Funds cost savings of up to \$95,000 based upon only having six DOT commission meetings in a year compared to eleven meetings or more in previous years. To the extent that meetings are held in excess of six, the cost savings will be reduced by approximately \$16,000 per commission meeting.

The bill will reduce General Fund revenue by \$36,158,000 in FY 2018-19, \$53,176,000 in FY 2019-20, \$67,765,000 in FY 2020-21, \$80,449,000 in FY 2021-22, and \$92,689,000 in FY 2022-23, and \$104,690,000 in FY 2023-24.

This bill will increase Other Funds revenue by \$176,721,000 in FY 2017-18, \$280,515,000 in FY 2018-19, \$366,566,000 in FY 2019-20, \$450,397,000 in FY 2020-21, \$536,511,000 in FY 2021-22, \$622,013,000 in FY 2022-23, and \$624,627,000 in FY 2023-24 from increases in fees. However, current State Highway Fund revenue will be reduced by increases in the allocation of the motor fuel fee on gasoline to local “C” Funds. Section 13 increases the allocation of gasoline fee revenue to “C” Funds from \$0.0266 per gallon to a total of \$0.0399 per gallon for the state highway system. Total “C” Fund revenue will increase by \$9,721,000 in FY 2018-19, \$19,599,000 in FY 2019-20, \$29,671,000 in FY 2020-21, and \$39,875,000 in FY 2021-22 and thereafter, reducing State Highway Fund revenue by these amounts.

Other Funds revenue of DMV is expected to increase by \$448,000 in FY 2018-19 and \$97,000 in FY 2019-20 for motor carrier road use fees retained by DMV. Other Funds revenue of the Department of Revenue (DOR) will decrease by \$48,000 in FY 2018-19 and \$97,000 in FY 2019-20 as motor carrier fees are transferred to DMV. Other Funds revenue for environmental and inspection fees to the Department of Transportation (DOT) and the Department of Health and Environmental Control (DHEC) is expected to be reduced by \$47,000 in FY 2017-18, \$97,000 in FY 2018-19, and an additional \$44,000 each year until FY 2022-23, when the reduction totals \$272,000. Other Funds revenue of the Department of Agriculture for inspection fees will decrease by \$952,000 beginning in FY 2017-18 as this revenue is transferred to the State Non-Federal Aid Highway Fund. This amount increases to \$975,000 in FY 2018-19, \$989,000 in FY 2019-20, \$1,003,000 in FY 2020-21, and \$1,016,000 in FY 2021-22.

Four of forty-six counties surveyed responded that the bill is expected to have minimal to no impact on local expenditures to administer the hybrid and alternative fuel vehicle biennial fee.

Local revenue distributed to counties for motor carrier road use fees is expected to increase by \$12,821,000 in FY 2018-19 for a one-time acceleration of fee payments and \$765,000 in FY 2019-20.



Department of Revenue. The value exemption will be administered by DOR. Manufacturing property is assessed by DOR, and the assessed values are provided to counties for assessment of property taxes. DOR does not expect this section to impact expenditures. Changing programing to include the property tax value exemption can be handled during the construction of the new manufacturing property component of DOR's tax system

Section 19. This section would provide a local property tax exemption of 14.2857 percent of the value of manufacturing property, which would be reimbursed by the State. The exemption is implemented in six equal installments beginning in tax year 2018. Currently manufacturing property is assessed at 10.5 percent of the value of the property. This value exemption would have the same effect as reducing the assessment ratio to 9 percent.

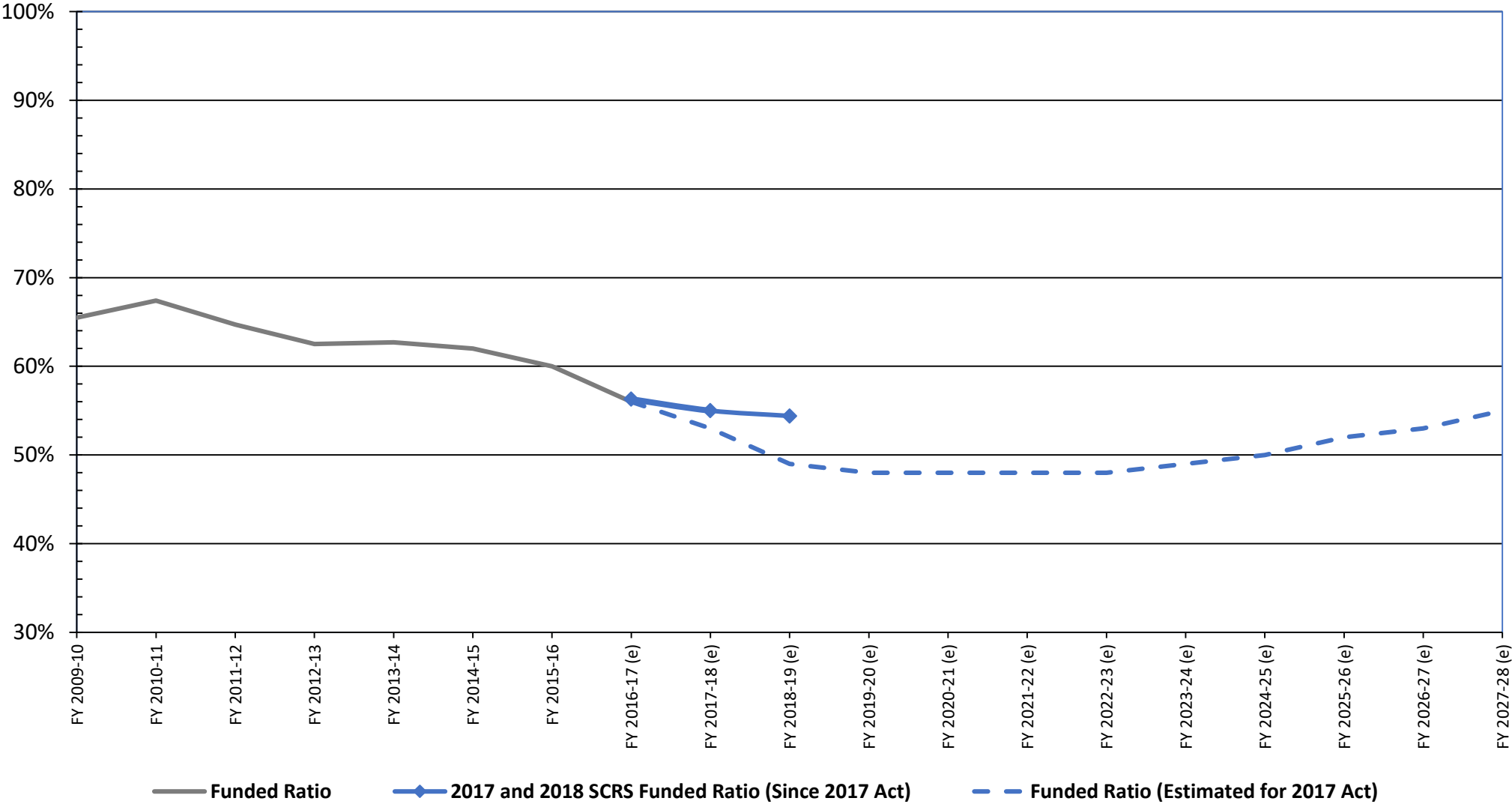
The property tax reduction resulting from the exemption will be reimbursed by the State and will increase the transfer of individual income tax and corporate income tax revenue to the Trust Fund for Tax Relief, reducing the General Fund. The total reimbursement is limited to \$85,000,000 per year. If in any year the reimbursements are projected by RFA to exceed the cap, the exemption percentage is proportionally reduced so as not to exceed the cap. Based upon the current trend, we anticipate the exemption amounts will decline in upcoming years as assessed value in manufacturing property is expected to decline. The exemption is not expected to exceed the reimbursement cap over the next six years. The estimated General Fund revenue impact by fiscal year is included below.

Fiscal Year	Manufacturing Property Value Exemption	General Fund Reduction
FY 2018-19	2.3810%	(\$6,285,000)
FY 2019-20	4.7619%	(\$12,377,000)
FY 2020-21	7.1429%	(\$18,279,000)
FY 2021-22	9.5238%	(\$24,202,000)
FY 2022-23	11.9048%	(\$30,040,000)
FY 2023-24	14.2857%	(\$35,796,000)

OTHER ISSUES



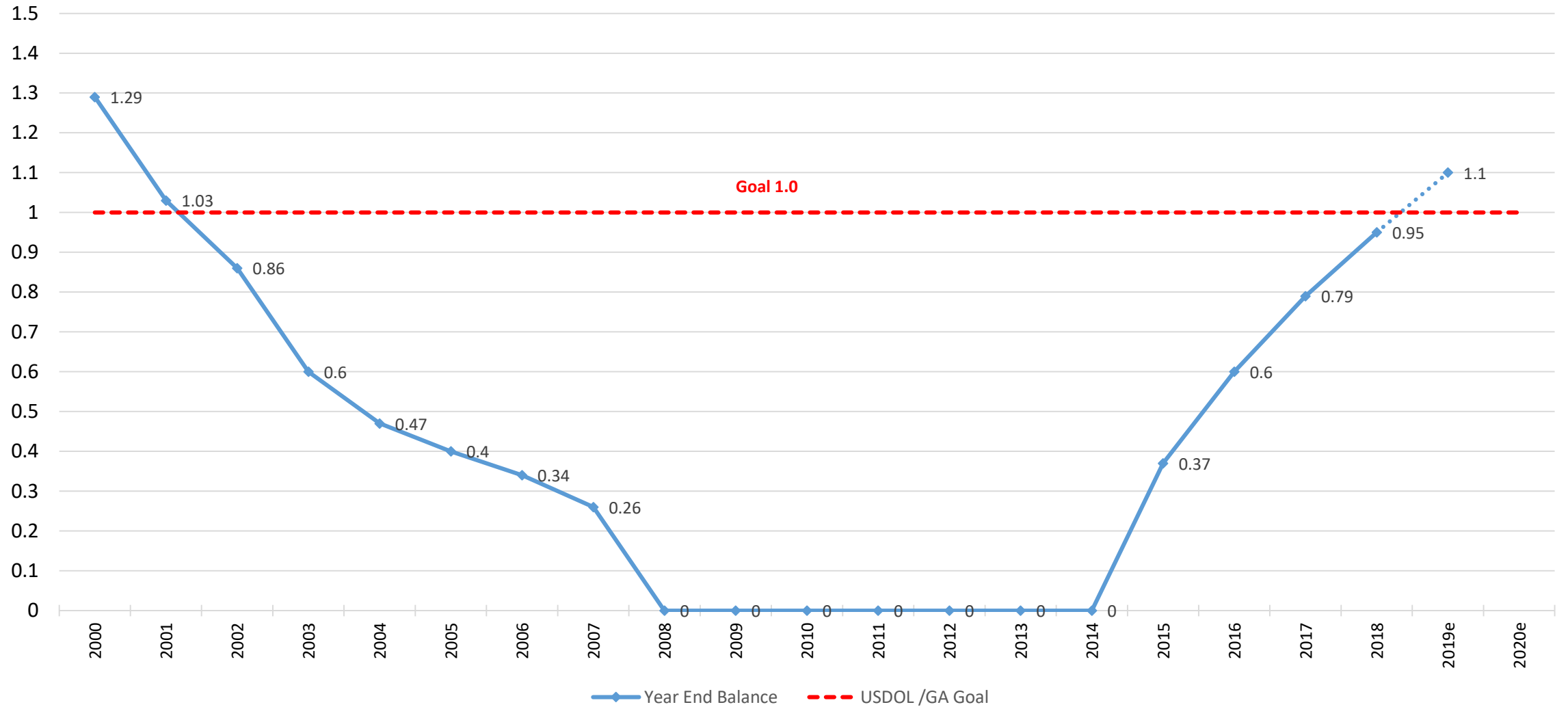
SC RETIREMENT SYSTEM FUNDED RATIO



Source: SC Retirement Systems CAFR and Joint Committee on Pension Systems Review,197,GOS/FAR, 01/3/20

SC UNEMPLOYMENT TRUST FUND STATUS

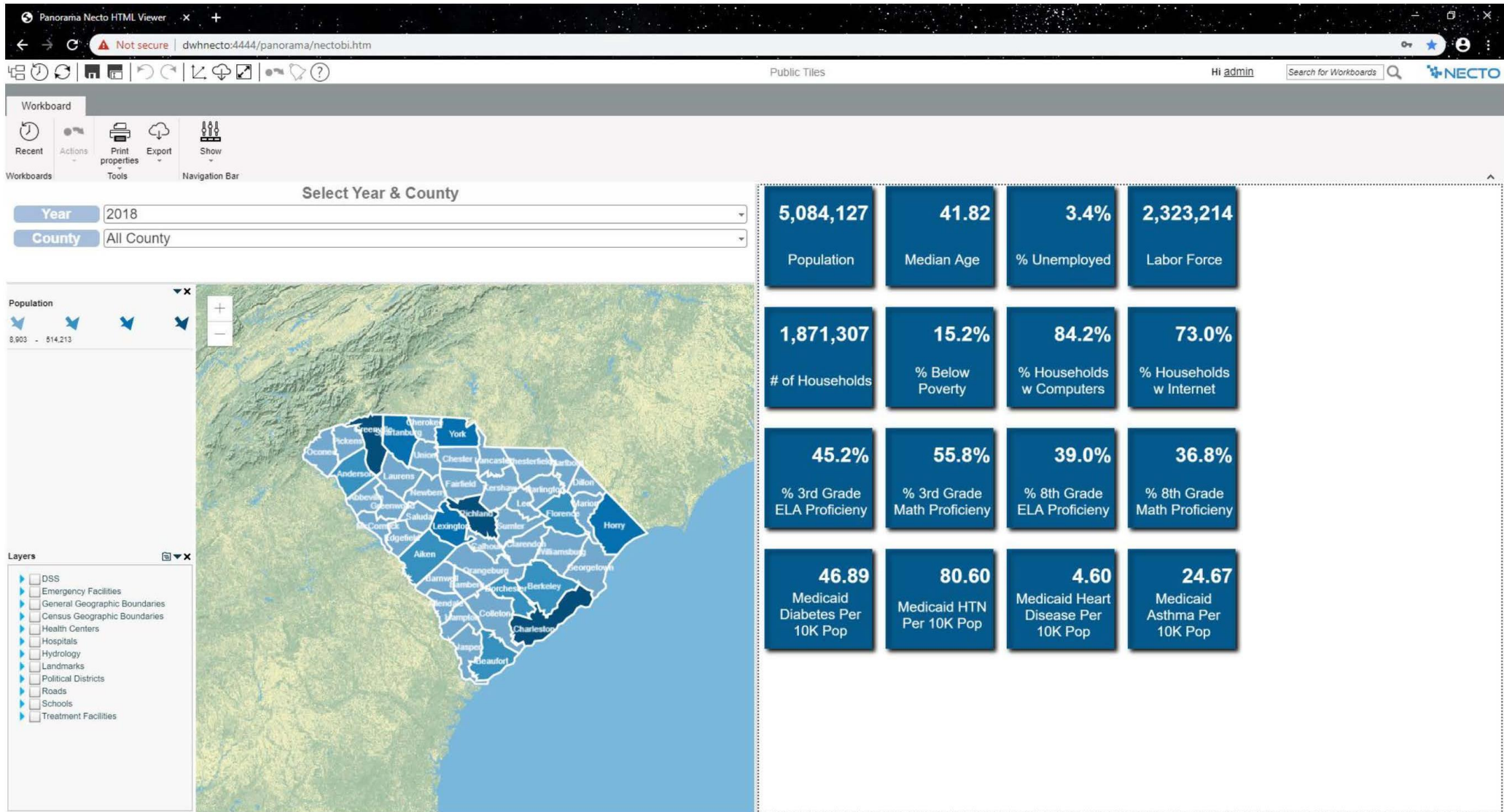
Ratio of Fund Balance to One Year Payout (Moderate Recession) - Actual vs Goal



Source: Revenue and Fiscal Affairs Office/FAR/1-9-20



- Motor Fuel Tax Credit – Tax Years 2018 to 2022
- Business License Fees
- Tax Rebates
- Census and Redistricting



ANY
QUESTIONS
?

APPENDIX



HOMESTEAD EXEMPTION FUND (TIER III)
Revenues and Expenditures

FISCAL YEAR	TIER III REVENUE INCLUDING INTEREST (1% SALES TAX)	TIER III EXPENDITURE	\$2.5M MINIMUM DISBURSEMENT	TIER III EXPENDITURE WITH \$2.5M	(SHORTFALL)/ OVERAGE
Col 1	Col 2	Col 3	Col 4	Col 5 [Col 3+ Col 4]	Col 6 [Col 2 - Col 5]
FY 07-08	550,484,062	539,094,023	30,107,374	569,201,398	(18,717,336)
FY 08-09	525,796,264	564,452,981	27,005,373	591,458,354	(65,662,090)
FY 09-10	504,213,010	597,487,954	23,163,457	620,651,411	(116,438,401)
FY 10-11	514,715,129	605,948,820	22,230,587	628,179,407	(113,464,278)
FY 11-12	537,540,291	624,652,188	20,370,199	645,022,387	(107,482,096)
FY 12-13	553,390,318	652,490,626	17,808,355	670,298,981	(116,908,663)
FY 13-14	579,001,045	673,323,810	16,074,735	689,398,545	(110,397,500)
FY 14-15	615,064,029	691,146,342	14,628,651	705,774,993	(90,710,964)
FY 15-16	649,166,693	711,595,702	13,354,027	724,949,729	(75,783,036)
FY 16-17	685,115,809	720,215,810	12,885,586	733,101,396	(47,985,587)
FY 17-18	717,410,352	737,928,053	12,039,199	749,967,252	(32,556,900)
FY 18-19	756,112,890	762,645,377	10,789,034	773,434,411	(17,321,521)
FY 19-20*	806,281,000	789,161,845	9,594,389	798,756,235	7,524,765
FY 20-21*	840,237,000	814,546,551	8,538,415	823,084,966	17,152,034

*BEA revenue estimate as of 11/08/19; RFA Expenditure estimates as of 11/08/19

Note: FY 07-08 to FY 09-10 expenditures include annualized lease purchase lawsuit adjustments of \$4,175,715, \$5,814,996, and \$6,252,788, respectively, paid in FY 09-10.



Trust Fund for Property Tax Relief

		\$100,000 Residential Property Tax Exemption (Tier I)	Homestead Exemption County/City (Tier II part1)	School Operations (Tier II part 2)	65 and Over \$50,000 Homestead Exemption (Total Tier II)	Manufacturer's Depreciation Reimbursement from 20% to 10%	*Manufacturer's Exemption 14.2857 percent of Assessed Value	Merchant's Inventory Tax Exemption (originally passed 1984)	Total
		1	2	3	4	5	6	7	8
DOLLARS									
FY 1997	ACTUAL TY 1996	\$216,942,851			\$47,956,105	n/a		\$40,557,257	\$305,456,213
FY 1998	ACTUAL TY 1997	\$227,400,845			\$49,557,883	n/a		\$40,557,257	\$317,515,985
FY 1999	ACTUAL TY 1998	\$237,849,369			\$51,329,733	\$23,614,194		\$40,557,257	\$353,350,553
FY 2000 (TY 1999)		\$251,576,947			\$53,579,824	\$35,729,165		\$40,557,257	\$381,443,193
FY 2001 (TY 2000)		\$241,614,944			\$119,783,281	\$38,746,703		\$40,557,257	\$440,702,185
FY 2002 (TY 2001)		\$249,069,750			\$127,749,042	\$43,773,787		\$40,557,257	\$461,149,836
FY 2003 (TY 2002)		\$249,069,750			\$138,220,677	\$45,624,171		\$40,557,257	\$473,471,855
FY 2004 (TY 2003)		\$249,069,750			\$147,839,923	\$47,597,238		\$40,557,257	\$485,064,168
FY 2005 (TY 2004)		\$249,069,750			\$154,873,301	\$49,906,439	n/a	\$40,557,257	\$494,406,747
FY 2006 (TY 2005)		\$249,069,750			\$157,864,439	\$52,581,627	n/a	\$40,557,257	\$500,073,073
FY 2007 (TY 2006)		\$249,069,750	n/a	n/a	\$166,047,316	\$54,562,649	n/a	\$40,557,257	\$510,236,972
FY 2008 (TY 2007)		\$249,069,750	\$92,073,054	\$80,892,729	\$172,965,782	\$57,996,007	n/a	\$40,557,257	\$520,175,094
FY 2009 (TY 2008)		\$249,069,750	\$97,469,317	\$80,892,729	\$178,262,046	\$56,982,806	n/a	\$40,557,257	\$525,985,060
FY 2010 (TY 2009)		\$249,069,750	\$101,442,286	\$80,892,729	\$182,335,014	\$59,126,945	n/a	\$40,557,257	\$528,944,826
FY 2011 (TY 2010)		\$249,069,750	\$104,339,347	\$80,892,729	\$185,232,075	\$58,805,615	n/a	\$40,557,257	\$534,664,696
FY 2012 (TY 2011)		\$249,069,750	\$106,963,366	\$80,892,729	\$187,856,095	\$61,028,933	n/a	\$40,557,257	\$536,610,046
FY 2013 (TY 2012)		\$249,069,750	\$111,237,250	\$80,892,729	\$192,129,979	\$64,593,259	n/a	\$40,557,257	\$542,785,918
FY 2014 (TY 2013)		\$249,069,750	\$117,296,259	\$80,892,729	\$198,188,988	\$67,843,259	n/a	\$40,557,257	\$552,409,253
FY 2015 (TY 2014)		\$249,069,750	\$121,962,048	\$80,892,729	\$202,854,777	\$70,482,653	n/a	\$40,557,257	\$560,325,409
FY 2016 (TY 2015)		\$249,069,750	\$127,312,126	\$80,892,729	\$208,204,855	\$73,406,912	n/a	\$40,557,257	\$568,314,514
FY 2017 (TY 2016)		\$249,069,750	\$131,346,479	\$80,892,729	\$212,239,208	\$75,373,252	n/a	\$40,557,257	\$575,273,126
FY 2018 (TY 2017)		\$249,069,750	\$136,140,414	\$80,892,729	\$217,033,143	\$83,927,859	\$6,476,615	\$40,557,257	\$582,033,401
FY 2019 (TY 2018)		\$249,069,750	\$138,951,873	\$80,892,729	\$219,844,602			\$40,557,257	\$599,876,083
FY 2019 Appropriation Act Est.		\$249,069,750	\$142,591,332	\$80,892,729	\$223,484,061	\$80,041,932	\$6,285,000	\$40,557,257	\$599,437,999
FY 2019 Surplus/(Shortfall)		\$0	\$3,639,459	\$0	\$3,639,459	(\$3,885,927)	(\$191,615)	\$0	(\$438,084)
GROWTH RATES									
FY 2007 (TY 2006)		0.00%	n/a	n/a	5.18%	3.77%	n/a	0.00%	2.03%
FY 2008 (TY 2007)		0.00%	n/a	n/a	4.17%	5.53%	n/a	0.00%	1.95%
FY 2009 (TY 2008)		0.00%	5.86%	0.00%	3.12%	0.72%	n/a	0.00%	1.12%
FY 2010 (TY 2009)		0.00%	4.08%	0.00%	2.23%	-1.75%	n/a	0.00%	0.56%
FY 2011 (TY 2010)		0.00%	2.86%	0.00%	1.59%	4.95%	n/a	0.00%	1.08%
FY 2012 (TY 2011)		0.00%	2.51%	0.00%	1.42%	-1.13%	n/a	0.00%	0.36%
FY 2013 (TY 2012)		0.00%	4.00%	0.00%	2.28%	3.22%	n/a	0.00%	1.15%
FY 2014 (TY 2013)		0.00%	5.45%	0.00%	3.15%	5.84%	n/a	0.00%	1.77%
FY 2015 (TY 2014)		0.00%	3.98%	0.00%	2.35%	5.03%	n/a	0.00%	1.43%
FY 2016 (TY 2015)		0.00%	4.39%	0.00%	2.64%	3.89%	n/a	0.00%	1.43%
FY 2017 (TY 2016)		0.00%	3.17%	0.00%	1.94%	4.15%	n/a	0.00%	1.22%
FY 2018 (TY 2017)		0.00%	3.65%	0.00%	2.26%	2.68%	n/a	0.00%	1.18%
FY 2019 (TY 2018)		0.00%	2.07%	0.00%	1.30%	5.13%**	n/a	0.00%	3.07%
10 Year Growth Rate		0.00%	3.61%	0.00%	2.11%	3.38%	n/a	0.00%	1.32%
5 Year Growth Rate		0.00%	3.45%	0.00%	2.10%	4.60%	n/a	0.00%	1.66%
3 Year Growth Rate		0.00%	2.96%	0.00%	1.83%	4.69%	n/a	0.00%	1.82%
PROJECTIONS									
FY20 & FY21 Applied Growth Rates		0.00%	3.45%	0.00%	n/a	4.60%	n/a	0.00%	n/a
FY 2020 Appropriation Act Est.		\$249,069,750	\$147,598,098	\$80,892,729	\$228,490,827	\$82,014,348	\$13,920,818	\$40,557,257	\$614,052,999
FY 2020 (e) Revised Estimate		\$249,069,750	\$143,740,931	\$80,892,729	\$224,633,660	\$86,027,030	\$13,920,818	\$40,557,257	\$614,208,514
FY 2020 (e) Projected Surplus/(Shortfall)		\$0	\$3,857,167	\$0	\$3,857,167	(\$4,012,682)	\$0	\$0	(\$155,515)
FY 2021 (e) Projection		\$249,069,750	\$148,695,047	\$80,892,729	\$229,587,776	\$89,984,535	\$20,205,818	\$40,557,257	\$629,405,136
FY 2022 (e) Long-range Projection		\$249,069,750	\$154,062,220	\$80,892,729	\$234,954,948	\$93,027,910	\$26,682,433	\$40,557,257	\$644,292,298
FY 2023 (e) Long-range Projection		\$249,069,750	\$159,623,121.35	\$80,892,729	\$240,515,850	\$96,174,215	\$33,159,048	\$40,557,257	\$659,476,120

*The Manufacturer's Exemption of 14.285 percent of assessed value is phased-in in six equal and cumulative percentage installments, applicable for property tax years beginning after 2017.

**The Manufacturers' Depreciation Exemption FY 2019 growth rate has been adjusted for one time occurrences.

Source: SC Revenue and Fiscal Affairs MKM - 11/08/2019



H. 3516 FISCAL IMPACT - MAY 31, 2017
Tax Credits and Exemptions
(Millions of Dollars)

Motor Fuel Income Tax Credit					General Fund Reductions				
Fiscal Year	Estimated Total Motor Fuel Income Tax Credits	Safety Maintenance Account Balance	Safety Maintenance Account Transfer to DOR	DOT Transfer to DOR	Earned Income Tax Credit	Two Wage Earner Credit	Tuition Tax Credit	Manufacturing Property Value Exemption	Total
1	2	3	4	5	6	7	8	9	10
FY 2017-18	\$0.0	\$20.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2018-19	\$40.0	\$20.3	\$30.2	\$9.8	\$20.4	\$3.3	\$6.2	\$6.3	\$36.2
FY 2019-20	\$65.0	\$20.6	\$20.5	\$44.5	\$27.8	\$6.7	\$6.3	\$12.4	\$53.2
FY 2020-21	\$85.0	\$20.9	\$20.8	\$64.2	\$33.1	\$10.0	\$6.5	\$18.3	\$67.8
FY 2021-22	\$110.0	\$21.2	\$21.1	\$88.9	\$36.5	\$13.2	\$6.6	\$24.2	\$80.4
FY 2022-23	\$114.0	\$10.8	\$21.4	\$92.6	\$39.6	\$16.2	\$6.8	\$30.0	\$92.7
FY 2023-24					\$42.7	\$19.2	\$6.9	\$35.8	\$104.7
FY 2024-25					\$44.6	\$19.7	\$7.1	\$35.5	\$106.9
FY 2025-26					\$46.5	\$20.1	\$7.3	\$35.3	\$109.1
FY 2026-27					\$48.5	\$20.5	\$7.4	\$35.0	\$111.5

Notes:

2-Refundable private passenger motor vehicle maintenance income tax credit of up to 100% of increase in the motor fuel user fee. Projections based upon vehicle growth of 2.5% and average fuel consumption growth of -0.5%. Subject to annual limitation on total credits. Ends after tax year 2022.

3- Infrastructure maintenance fees on out-of-state transfers are credited to the Safety Maintenance Account until December 31, 2022.

4-Safety Maintenance Account transfer occurs each January 31st beginning in 2019 and ending 2023.

5-DOT transfer to DOR for credits in excess of Safety Maintenance Account transfer

6-Non-refundable credit of 125% of federal Earned Income Tax Credit (EITC) phased-in at 20.833% per year. Additional years based upon growth of 4.3% from federal EITC growth in I.R.S. Statistics of Income.

7-Increase two-wage earner credit wage maximum from \$30,000 to \$50,000 phased in at \$3,333 per year. Additional years based upon growth of 2.2%.

8-Increase tuition credit to 50% of tuition up to \$1,500 per student. Additional years based upon growth of 2.4%.

9-Exempt 14.29% of manufacturing property value from property taxes phased in over 6 years at 2.382% per year beginning TY 2018.

10-Total General Fund reductions - sum of columns 6 to 9

Source: SC Revenue and Fiscal Affairs Office - lhj - 5/31/17